

CABINET

3 December 2014

THE OVERVIEW AND SCRUTINY COMMITTEE

8 December 2014

MEMBERS' ALLOWANCES – REPORT OF THE INDEPENDENT REMUNERATION
PANEL

REPORT OF CHIEF OPERATING OFFICER

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

None

EXECUTIVE SUMMARY:

Current Allowances for 2014/15 are set out in Appendices A and B. The sixth 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 2015/16 draft budget.

The 2014 Panel convened on 16 and 17 October 2014 to undertake the review which is required to take place every 4 years, unless additional reviews are required to take account of structural changes. As part of its deliberations, 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. In making its recommendations, the Panel was keen to ensure that they would have widespread acceptance, both within the Council and in the communities that the Members serve. Consequently, financial concerns have been given primacy in this review.

For this reason, the Panel is generally recommending that the existing scheme should be re-adopted. The only significant change is that following the Localism Act 2011, the Special Responsibility Allowance (SRA) for the Independent Chairman (Band 5 – (£3,024) is formally deleted as the post no longer exists and replaced by an SRA at Band 6 (£1,521) for the Councillor Chairman. The lower rate is due to the changes in responsibility and lower workload.

The Panel recommendations continue to make provision to include an inflation index in the Scheme. This allows the Council to determine whether to make an increase for inflation. As the 2014/15 rates form the base line recommendations for the new Scheme this would allow the Council , if it so wishes, to apply the inflation index from the date of the Annual Council Meeting on 20 May 2015. The index is linked to the NJC staff pay award at spinal column point 49. This has recently been agreed by the Employers at 2.2%. The Council has to determine whether the index is used before the end of the current financial year. A 2.2% increase would require growth of c£10,000, taking account of the fact that no individual can claim more than one SRA and assuming the current structure continues.

It is some time since there has been an increase in the main allowance rates in Winchester. In 2009/10, the Council agreed to adopt a 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. There has been no general increase since those decisions. The only exception was to index mileage rates to HMRC rates in 2013/14 and 2014/15. This is now 45p per mile.

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).

Other technical adjustments are proposed – to take account of legislative changes since the last review.

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 for the updated Scheme is 1 April 2015 and if the index is used it would apply from the Annual Council meeting on 20 May 2015. 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:
 - (a) That there should be no change to the current Basic Allowance and SRAs payable for 2015/16, subject to any adjustments by the agreed indexation for that year.
 - (b) That the current SRA schedule be amended by the addition of an SRA for the Chairman of the Standards Committee at £1,521 (Band 6) for 2015/16, adjusted by any indexation that may be applied; and consequently that the provision for a Co-optees' Allowance (£3,024), previously paid to the co-opted Chairman of the Standards Committee, be removed from the Scheme.
 - (c) That there should be no change to the 'five Members' qualifying criterion for the SRA for Leaders of Other (Opposition) Groups to be payable.
 - (d) That there should be no change to the '19 Members' qualifying criterion for the SRA for Group Managers to be payable.
 - (e) That there should be no change to the rule that a Member can receive only one SRA.
 - (f) That there should be no change to the current cap limiting the number of SRAs payable in any year to 50% of Council membership (currently 28).
 - (g) That there should be no change to the current travel and subsistence allowances or to the terms and conditions for which they are claimable and that the current indexation be maintained.
 - (h) That there should be no change to the current rates and conditions for Dependants' Carers' Allowance (DCA), subject to any index adjustments.
 - (i) That there should be no change to the current Co-optees' Allowance for 2015/16 for Parish Representatives on the Standards Committee, subject to any indexation that may be applicable; nor to the entitlement of the Co-optees' to claim travel and subsistence allowance in accordance with the provisions of the current Members' Allowances Scheme.

(j) That the Standards Committee's authority to withhold the payment of allowances to Members in certain circumstances (Paragraph 7, the role of the Standards Committee) be removed from the Scheme.

(k) That there should be no change to the current indices by which cost of living adjustments to allowances are made, namely:

- Basic Allowance, SRAs, Co-optees' Allowances, DCA and Subsistence Allowances:

Indexed to the annual percentage increase for local government staff (based on 'spinal column point 49'), of the National Joint Council for Local Government Staff Services; and implemented from the date of the Annual Council Meeting each year.

- Travel Allowances:

Mileage: indexed to changes in the HMRC rates

That these indices be included in the revised allowances' scheme from 1 April 2015 and continue to be applied for four years, or until such time that the Council resolves to make changes following the next review by the Panel; whichever is the sooner.

2. That the inclusion of Members' formal attendance records in the Council's annual statutory publication of 'allowances and expenses received by each Member' be discontinued from the 2014/15 publication onwards.
3. 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.
4. That Members consider whether the general inflation index should be applied to rates in the Scheme from the date of the Annual Council Meeting on 20 May 2015.
5. That the HMRC index for mileage rates continue to be applied in 2015/16.
6. That Members consider whether decisions made on the recommendations set out above require any changes to the base budget for Members' Allowances for 2015/16 onwards.

To Cabinet

7. 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 The Overview and Scrutiny Committee:

3. That the Committee provide comments to Council on the recommendations of the Independent Remuneration Panel.

CABINET

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THE OVERVIEW AND SCRUTINY COMMITTEE

8 December 2014

MEMBERS' ALLOWANCES – REPORT OF THE INDEPENDENT REMUNERATION PANEL

REPORT OF CHIEF OPERATING OFFICER

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 2014/15 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 7 January 2015, setting out the complete Scheme, as amended by the decisions of Cabinet and The Overview and 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 set out in the executive summary above and 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 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.

- 2.3 The Panel has recommended that provisions in the Scheme for the Standards Committee to withhold allowances be deleted – as the changes in the Localism Act 2011 no longer provide for this sanction. The legislation also no longer permits pensions to be provided for new Members, or as is the case in Winchester, for any Members, if previous Allowances Schemes had not provided for such rights.
- 2.4 The Panel also considered a request that Members of the Planning Committee be considered for a SRA. It considered that this was a workload, rather than a responsibility issue and that it was rare for such an allowance to be paid in the South East – and not at all in the other Hampshire authorities. The Panel concluded that the Basic Allowance was intended to cover the possibility of Members being on at least one regulatory committee.
- 2.5 The Panel also considered the Council's practice of an annual advertisement publishing attendance at certain meetings, which arose from an earlier Panel recommendation. It noted that this publication does not capture all of the activities that Members are now undertaking. The annual publication of Members' attendance records can be misleading as Members' focus of activities has shifted to more informal arenas over the years. Modern information technology now enables public access to the relevant attendance data by those who are interested. Maintaining Members' attendance records is not a cost-free exercise in terms of the time spent by officers collating and publishing the information. The Panel feels that the cost of collection, maintenance and publication of Members' attendance records is not any longer a justifiable use of Council resources.
- 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.
- 3.2 The Local Government Boundary Commission Electoral Review is currently in progress and will be implemented in 2016. The Commission has indicated that it is minded to accept the Council's Submission that the Council size should be reduced from 57 to 45 Members at that time. Report CAB2593 considered some potential structural changes to the Council's decision-making structures that could be undertaken to accommodate the change in number of Members. This issue is likely to result in a need for the Independent Remuneration Panel to meet and review the Members' Allowances Scheme in 2016.

4. Parish Remuneration Panel

- 4.1 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.
- 4.2 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.
- 4.3 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:

5. COMMUNITY STRATEGY AND PORTFOLIO HOLDER PLANS (RELEVANCE TO):

- 5.1 Effective and Efficient Priority Outcome – 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. The Electoral Review and linked Governance Review will both impact on the need to further review the Scheme in 2016.

6. RESOURCE IMPLICATIONS:

- 6.1 The current budget, prior to consideration of the Panel's Report, is set out below.

Description of Cost	2014/15 Budget £
Basic Allowance	318,060
Special Responsibility Allowances	125,643
Travel etc	20,588
Total (Including Employers NI)	477,291

- 6.2 The SRA for the Chairman of the Standards Committee is a reduction from the old rate of £3,024 to the new rate of £1,521. In practice, no allowance has been paid in the last two years, as the current chairman, was already entitled to an allowance as Vice-Chairman of the Planning Committee and only one SRA can be claimed.
- 6.3 The Panel's recommendations allow the inflation index to be used on the 2014/15 figures included in the report. The index is linked to the NJC staff pay award at spinal column point 49 and this has already been agreed by the Employers at 2.2%. The Council has to determine whether the index is used before the end of the current financial year. A 2.2% increase would require growth of c£10,000 p.a. on the baseline budget (proportionately less in 2015/16 reflecting the implementation date partway through the financial year).

7. RISK MANAGEMENT

- 7.1 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 future years which require adjustments to the budget.
 - (b) Changes to decision-making arrangements after implementation of the Electoral Review in 2016 could mean a saving of £66,960 in the Basic Allowance because of the reduction of 12 Members. However, any other changes in responsibility arising from structural change could also impact on both Basic Allowances and SRAs, following a further Panel Review.
 - (c) 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:

See appendices below.

APPENDICES:

Appendix A - Schedule from the current Members Allowances Scheme - 2014/15

Appendix B - Other Allowances - 2014/15

Appendix C - Report of the Independent Remuneration Panel

CAB2635 - APPENDIX A

SCHEDULE 2(ii)

BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES
(with effect from 18/05/11, amended 23/02/12)

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	6	£5,580	£7,605	£13,185
Chairman of The Overview and 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
Band Four				
Chairman of Personnel Committee	1	£5,580	£3,042	£8,622
Chairman of Licensing & Regulation Committee	1	£5,580	£3,042	£8,622

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 Overview and 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 6 allowance. There is a ceiling of no more than 28 Members in receipt of a SRA.

Band Five

Chairman of the Council	1	£5,580	£2,280	£7,860
Chairman of Audit Committee	1	£5,580	£2,280	£7,860

Other Opposition Group Leaders (not in current use)²

	Not in current use	£5,580	£2,280	£7,860
Vice Chairman of Planning (Development Control) Committee	1	£5,580	£2,280	£7,860

Band Six

Chairman of Winchester Town Forum	1	£5,580	£1,521	£7,101
Scrutiny Leads	6	£5,580	£1,521	£7,101
Chairmen of Task & Finish &/or Ad Hoc Working Groups/Panels with Significant Impact	See note 1	£5,580	£1,521	£7,101
Group Managers ³	2	£5,580	£1,521	£7,101

² To qualify for the 'Other Opposition Group Leader' SRA, the Group must have at least 5 Members.

³ To qualify for the 'Group Manager' SRA, the Group must have at least 19 Members.

OTHER ALLOWANCES – with effect from 15/05/13 (re-affirmed 20/02/14)

Type of Allowance:		(£)
<i>Travel</i>		
Travel within District	Cars and Vans	45p a mile
	Motor Cycles	24p a mile
	Bicycles	20p a mile
Travel outside District	Cars and Vans	45p 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 <u>outside</u> District only	Breakfast	5.17
	Lunch	7.13
	Tea	2.79
	Evening Meal	8.82

Overnight stay outside District
Overnight stay – London

86.03
98.11

Dependants' Carers' Allowance (to include childcare):

Actual fees, up to

8.08 per hour

Co-optees' Allowances:

Independent Members and Parish
Representatives on Standards Committee

240 pa

Chairman of the Standards Committee at a
Rate Equivalent to Band 4

3,042pa

Review

of

Members Allowances

for

Winchester City Council

The Sixth Report

by the

Independent Remuneration Panel

**Alison Atkinson
Dr Declan Hall (Chair)
David Howells
Geoff Ward**

November 2014

FOREWORD

This is the sixth report produced by the statutory Independent Members Remuneration Panel (or 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 obliged the Council to adopt new roles and responsibilities for elected Members and to establish and maintain an Independent Members Remuneration Panel to review Members' allowances. A second review was undertaken in January 2003. The recommendations of the 2001 and 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 reconvened to make recommendations on secondary allowances, e.g., travel and subsistence. The recommendations, which did not result in major changes, were produced in September 2003 and the Council again accepted the Panel's recommendations, except the recommendation on pension provision.

The fourth periodic review (October 2006) was required under what is known as the 'four year rule', which is the mechanism to ensure all members' allowances schemes are subject to public scrutiny. The Panel concluded that only minor changes were required in the allowances scheme. Again, in the main, the Council accepted the recommendations of this review.

In the fifth periodic review (December 2010), the Panel recommended that a 5% reduction in allowances previously agreed by the Council should be reinstated, but this recommendation was not accepted by the Council. A Supplementary Review (December 2011) considered the impact of a number of new Member appointments arising out of constitutional changes. The Panel acknowledged that the reduced levels of allowances were considered appropriate by Members and that there was little point in making recommendations that ran contrary to a political decision by Council to seek and maintain savings.

In undertaking this review the Panel has been mindful of the continuing financial constraints facing local government and the public sector in general. But in acknowledging this context, the Panel felt it should be satisfied that the level of allowances paid by the Council should be fair and reasonable for its Members, and not pose unreasonable financial barriers to current and potential Members. Yet, in making its recommendations, the Panel was keen to ensure that they would have widespread acceptance, both within the Council and in the communities that the Members serve. Consequently, financial concerns have been given primacy in this review.

Declan Hall PhD
Chair of the Independent Remuneration Panel
November 2014

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

EXECUTIVE SUMMARY

The Panel recommends:

Basic Allowance and Special Responsibility Allowance (SRA)

There should be no change to the current Basic Allowance and SRAs payable for 2015/16, subject to any adjustments by the agreed indexation for that year.

SRA for Chairman of Standards Committee

That the current SRA schedule be amended by the addition of an SRA for the Chairman of the Standards Committee at £1,521 (Band 6) for 2015/16, adjusted by any indexation that may be applied; and consequently that the provision for a Co-optees' Allowance (£3,024), previously paid to the co-opted Chairman of the Standards Committee, be removed from the scheme of allowances.

SRA for Leaders of other (Opposition) Groups – qualifying criteria

No change to the 'five Members' qualifying criterion for the SRA for Leaders of Other (Opposition) Groups to be payable.

SRA for Group Managers – Qualifying Criteria

No change to the '19 Members' qualifying criterion for the SRA for Group Managers to be payable.

Only one SRA payable to a Member

No change to the rule that a Member can receive only one SRA.

Maximum number of SRAs payable by the Council

No change to the current cap limiting the number of SRAs payable in any year to 50% of Council membership (currently 28).

Travel and Subsistence Allowances

No change to the current travel and subsistence allowances or to the terms and conditions for which they are claimable and that the current indexation be maintained.

Dependants' Carers' Allowance (DCA)

No change to the current rates and conditions subject to any index adjustments.

Co-optees' Allowances - Parish Representatives on Standards Committee

No change to the current Co-optees' Allowance for 2015/16 subject to any indexation that may be applicable; nor to the entitlement of the Co-optees to claim travel and subsistence allowance in accordance with the provisions of the current Members' Allowances scheme.

Withholding of Allowances – Standards Committee

That the Standards Committee's authority to withhold the payment of allowances to Members in certain circumstances (Paragraph 7, the role of the Standards Committee) be removed from scheme of allowances.

Indexation

No change to the current indices by which cost of living adjustments to allowances are made, namely:

- **Basic Allowance, SRAs, Co-optees' Allowances, DCA and Subsistence Allowances:**
Indexed to the annual percentage increase for local government staff (based on 'spinal column point 49'), of the National Joint Council for Local Government Staff Services; and implemented from the date of the Annual Council Meeting each year.
- **Travel Allowances:**
Mileage: indexed to changes in the HMRC rates

That these indices be included in the revised allowances' scheme from 1 April 2015 and continue to be applied for four years, or until such time that the Council resolves to make changes following the next review by the Panel; whichever is the sooner.

Parish Councils

No change to the current position that Parish Councils within the Winchester City Council area should not pay the Parish Basic Allowance to its Members or Chairman.

No change to the current arrangements that Parish Councils may allow its Members to claim travel and subsistence allowances in accordance with the same rates and conditions that apply in the Winchester City Council Members' Allowances scheme.

Publication of Attendance Records

That the inclusion of Members' formal attendance records in the Council's annual statutory publication of 'allowances and expenses received by each Member' be discontinued from the 2014/15 publication onwards.

Implementation

That the proposals of this report are implemented from 1 April 2015 and that the relevant indexation adjustments are applied from that date. This would enable the Council if it so wishes to take account of the 2014/16 pay award to staff (subject to it being confirmed) in setting the 2015/16 Members' allowances rates.

Winchester City Council

Independent Remuneration Panel

A Review of Members' Allowances

Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the Independent Remuneration Panel (the Panel) reconvened by Winchester City Council to advise on its Members' Allowances scheme, for 2015/16. The Panel was convened under *The Local Authorities' (Members' Allowances) (England) Regulations 2003 (SI 1021)* ("the 2003 Regulations"). These regulations, which arise out of the relevant provisions contained in the Local Government Act 2000, require all local authorities to establish and maintain an advisory Independent [Members] Remuneration Panel to review and provide advice on Members' allowances on a periodic basis. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances scheme. They must 'have regard' to their Panel's recommendations before setting a new or amended Members' Allowances scheme.
2. On this particular occasion, the Panel has been reconvened under Regulation 10.5, 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.
3. This is known as the '4-year rule' and is the mechanism utilised to ensure that all Members' Allowances schemes are subject to a degree of external scrutiny on a periodic basis. The Council retains its right to determine its own Members' Allowances scheme but it must have regard to the recommendations of its Independent Remuneration Panel in doing so.

The Panel

4. Following a public application process Winchester City Council appointed and convened its Independent Remuneration Panel, constituted of the following members:
 - Alison Atkinson:
Local resident, with a background in arts management including administering touring and relocation allowances for company members; former Chair of Winchester Theatre Trust
 - Declan Hall PhD (Chair):
A former lecturer at the Institute of Local Government, University of Birmingham; currently an independent consultant specialising in members' allowances and support
 - David Howells:
Local resident, local government career including as Director Corporate Services for Hampshire Fire & Rescue Service; a magistrate serving in West Hampshire
 - Geoff Ward:
Local resident, has a public sector finance background including with Hampshire Constabulary and Young Enterprise Companies; currently an independent accountant and Treasurer Age UK (Winchester)
5. The Panel was supported by David Blakemore, Democratic Services Manager, whose role was to service the Panel and take the organisational lead in facilitating the whole process.

Terms of Reference

6. 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. In particular, the Panel will recommend if appropriate the introduction of a SRA suitable for the Chairman of the Standards Committee.
 - (ii) To review the current Travel and Subsistence Scheme for both the City and Parish Council, following consideration of all relevant factual evidence and the representations made.

- (iii) To consider any requests from Parish Councils for the introduction of a Parish Basic Allowance for Parish Councillors, following consideration of all relevant factual evidence and the representations made by Parish Councils.

7. In considering the current Members' Allowances Scheme, the Panel was cognisant of the 2003 Regulation, paragraph 21 (1), which states:

(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.

Process and Methodology

8. The Panel met at Winchester Guildhall on 16th – 17th October 2014. The meetings were held in private session to enable the Panel to talk with Members and Officers and to conduct deliberations in confidence. In arriving at its recommendations, the Panel took into account *inter alia* the following range of evidence:

- Relevant information on Winchester City Council, including a briefing pack produced by officers that outlined recent changes in how the Council is organised, the schedule of the Council, committees, panels

and other meetings, their terms of reference and role profiles where available, Member attendance figures, summary of survey on hours worked as a Councillor, etc.

- The views of Members who met with the Panel
 - Officer briefings outlining recent developments in Council structures and to answer factual questions from the Panel
 - The range and level of allowances payable in the two comparator group of authorities utilised for benchmarking purposes, namely
 - * The 2014 South East Employers Allowances Survey for district councils and
 - * 2014/15 allowances schemes from all district councils in Hampshire district councils
 - Other relevant supporting material such the 2006 Statutory Guidance on Members Allowances from the Department of Communities and Local Government (DCLG), a presentation made by Panel Chair to other Panel members on issues to consider.
9. All Members were invited to make written submissions to the Panel (although none were received) and all Members who wished to meet with the Panel were given the opportunity to do so (again, there was no response to the general invitation to meet with the Panel). The Panel did meet with the three Group Leaders and Chairman of the Standards Committee as it was a post under specific consideration for this review. It also requested to meet with certain post holders so as to revisit some of the recommendations of the Supplementary Review (December 2011).
10. For full details of whom the Panel met and full range of information reviewed see:
- Appendix 1 for Members and Officers who met with the Panel, including written submissions
 - Appendix 2 for a list of the full range of evidence considered by the Panel
 - Appendix 3 for more details on the other allowances schemes and comparative data referred to by the Panel for benchmarking purposes

Principles of the Review

11. As with previous reviews the Panel was mindful of a number of guiding principles, namely that the Winchester City Members' Allowances scheme should seek to
- I. Be transparent in what Members receive and what is expected from them in return;

- II. Provide reasonable recompense for the various roles and responsibilities held by Members;
- III. Allow most people considering standing for Council to be able do so without suffering financial hardship;
- IV. Be at a sufficient level to retain experienced and competent Members;
- V. Ensure that an Opposition is adequately resourced.

Key Messages and Observations

Recognising the current economic context and role of review

12. Based on the guiding principles alone there may be a case to revisit the level of some of the allowances currently payable; in particular the Basic Allowance, in the light of it originally being linked to Winchester average earnings, and certain SRAs regarding enhanced demands placed on some senior Members. Benchmarking shows that in the main the allowances paid in Winchester are on a par with the other districts in Hampshire. But there are some notable differences: for example Winchester Members are required to pay for the most of their Information Communications and Technology (ICT) costs; whereas the majority of other Hampshire districts either directly provide ICT, such as in Basingstoke & Deane and Eastleigh, or pay a separate annual ICT Allowance in addition to the Basic Allowance, such as in Hart (£250) or Rushmoor (£350).
13. The current Basic Allowance and SRAs payable are less now in both cash and real terms than was the case back in 2007/8 - see table 1 below. It is recognised that this is mostly attributable to choices made by the Council to apply a five per cent reduction to all allowances in 2010/11; and a negative indexation for 2009/10.

Table 1: Winchester Members' Allowances: Levels Payable 2007/8 & 2014/15

	2007/8	2014/15
Basic Allowance	£5,800	£5,580
SRAs		
Band One	£17,400	£16,734
Band Two	£9,491	£9,129
Band Three	£7,909	£7,605
Band Four	£3,164	£3,042
Band Five	£2,373	£2,280
Band Six	£1,582	£1,521

14. On the other hand the Panel heard anecdotal evidence that in the past few years that the 'low' level of remuneration had been a consideration in some Members' decisions to stand down; and for potential candidates' decisions not to stand for election (i.e. they could not afford to be a Councillor). Further representation argued that the remuneration would not attract most people to become a Councillor, and in particular young employed professionals. That said, previous Panels have never sought to set allowances at a level that attracts candidates for financial reasons. This Panel is also ill at ease about Councillors serving primarily for financial gain – a view echoed by the Members that the Panel interviewed. Indeed an element of public service is explicitly built into Members' remuneration. For allowances to attract candidates they would have to be set at a level that is so far above what is currently payable as to be unfeasible.
15. This partly explains why the Panel has consciously not adopted a principle that allowances should attract people to stand for Council. Rather it has emphasised "reasonable recompense" that would allow most people to stand and be a Councillor without suffering undue financial hardship. In other words, allowances should be an 'enabler' and seek to reduce financial barriers to being a Councillor rather than provide full compensation for work undertaken and responsibilities held. The question the Panel asked is whether the point has been reached that allowances are no longer an enabler: i.e. is the understandable need to keep the cost of allowances down creating financial difficulties or barriers for an increasing number of people?
16. However, a key message that emerged from all Members interviewed over the course of the review was that the Council was unlikely to accept an overall increase in the current total spend on Members' Allowances even if a strong case could be made. The current economic context cannot be ignored. There is little point in the Panel making recommendations that bear no relationship to economic constraints and reality within which the Council has to operate; otherwise, the review would be simply making aspirational recommendations for a future date. The representation received by the Panel was consistent: regardless of personal views and circumstances it was felt that the Council has to accept that increases in allowances cannot be justified not only to demonstrate financial restraint to the public; but also to acknowledge the long period of pay restraint for staff working for the Council and the cuts made in staffing levels.
17. This is not to say the role of the review is to pre-empt decisions properly reserved to the Council and seek to make savings on the current spend on Members' Allowances for the sake of it. If that were the case, the review would simply be making recommendations that would lead to 'a race to the

bottom'. The purpose of this review is to make recommendations based on knowledge of the current governance structures, an analysis of the evidence and representations and the levels and scope of allowances paid in comparator councils - thus arriving at an evidenced-based judgement on the monetary worth of the roles under consideration.

18. But the Panel's recommendations need to be realistic and help the Council to make its decision on the scope and levels of remuneration. If the Panel's recommendations do not have a large degree of acceptance amongst the Council then the Panel would be failing in its advisory responsibilities. Furthermore, for Members it is important that, for the recommendations to be accepted, they have to stand up to public scrutiny. The Panel heard that this meant not increasing the allowances budget. Indeed, there is a public duty on the Panel to ensure that a degree of public accountability is brought to bear through the process of the review and the public would rightly question if the allowances budget were increased in the current financial climate. If the recommendations of this review are accepted for 2015/16, they will result in a small annual saving on the potential cost of the current scheme. It is reiterated that these projected savings do not result from a presumption on the part of the Panel that it should reduce the overall budget, but rather a function of what the Panel sees as its task at this juncture.

Limited reform required at this stage

19. Bearing in mind the constraints within which the Panel has to operate the Panel has concluded that the Winchester City Council Members' allowances framework is still broadly appropriate in scope and differentials. Consequently the Members' Allowances scheme needs amendment rather than fundamental reformation. This is a view that was reinforced by benchmarking both against district councils in the South East and more specifically other district councils in Hampshire.

Recommendations: A recalibrated Basic Allowance

20. The current Basic Allowance was originally arrived at by following the approach laid out in the Statutory Guidance through the application of 3 variables as follows:
 - Time to undertake the role: historically has been assessed at 14 hours per week/728 hours per year, as the average minimum time required to fulfil duties associated with the Basic Allowance
 - Public Service Discount (PSD): historically has been assessed at 1/3 of the 14 hours per week; conceptualised as the voluntary contribution by

Members. In other words, 1/3 of the expected time commitment for the Basic Allowance is given voluntarily and not remunerated.

- Rate of Remuneration: historically has been based on Winchester average gross hourly salary for all full time employees resident in Winchester City Council's area
21. The public service discount of 1/3 has become the national standard element that Members are expected to *give pro bono publico* as it broadly reflects the proportion of work Members undertake on behalf of their constituents. Thus for recalibrating the Basic Allowance the public service discount of 1/3 has been maintained.
 22. Similarly, for recalibration purposes the time commitment has been more or less maintained. As part of the Council's submission to the Local Government Boundary Commission Electoral Review 38 out of 57 Winchester Members Councillors (or 66.6%) completed an online survey asking them to give the number of hours they work on various council related activities. The average weekly hours reported by the respondents not in receipt of an SRA was just over 17 (excluding political activity). There was further representation to the Panel that 14 hours per week may now be a slight underestimation, particularly with the increased use of the cross-party Informal Policy Groups (IPGs) consisting of back benchers and led by relevant Portfolio Holders to assist with major items of work as well as the continuation of the Informal Scrutiny Groups (ISGs).
 23. Yet, the data from the National Census of Local Authority Councillors 2013 (LGA) shows that on average Members of English district councils who hold " no positions" put in 14 hours per week on 'council business" (excluding "group/party business"). Thus the Panel maintained 14 hours per week for the purposes of recalibration but in the knowledge that it will have to revisit the issue when the implications of the recommendations of the Local Government Boundary Commission Electoral Review are known. To alter the hours now would be a temporary measure as the Panel will have to reassess time requirements in about 18 months or so in any case. For methodological reasons, the time requirement has been transposed from 728 hours per year to the equivalent of 91 days per year.
 24. What has been updated however is the rate of remuneration (and converted to a daily rate for ease of calculation) which for 2013 was £115 per day.²

²This day rate is based on the median gross daily salary for all full time employees who work within Winchester. See Annual Survey of Hours and Earnings (ASHE) Table 7.1a - Weekly Pay - Gross (£) - For full-time employee jobs UK 2013, which gives median weekly pay of £574.90, which equates to £114.98 per day, rounded up to £115. This is equivalent to an annual salary of £29,894.80.

25. Thus by revising the formula used to arrive at the Basic Allowance to take into account the 2013 rate of remuneration it gives the following recalibrated Basic Allowance:

- 91 days per years minus 1/3 PSD
 = 60.66 remunerated days per year X £115 per day
 = £6,976

26. The recalibrated Basic Allowance has been laid out not simply to show the degree to which the current Winchester Basic Allowance has fallen behind the earnings of Members' constituents since 2007 but to flag up a prospective point of reference for when the Panel will be required to revisit all the variables for 2016/17.

Benchmarking

27. To test the robustness of the current Basic Allowance and its applicability for 2015/16, the Panel benchmarked it against other comparator authorities. It utilised the same comparator groups it has used in previous reviews, namely all district councils in the South East that replied to the South East Employers (SEE) 2013/14 survey of members' allowances, and a more focused benchmarking group, namely all the 11 district councils in Hampshire.

**Table 2: Basic Allowance & Leaders SRAs in Hampshire Districts 2013/14
 (New Forest DC Basic Allowance ICT top up is not included)**

Hampshire District Councils	Basic Allowance	Leaders' SRA	Leader Total Package
Basingstoke & Deane	£6,603	£22,018	£28,621
East Hampshire	£4,500	£16,000	£20,500
Eastleigh	£6,045	£19,336	£25,381
Fareham	£6,530	£19,591	£26,121
Gosport	£5,736	£13,326	£19,062
Hart	£3,772	£15,305	£19,077
Havant	£5,350	£14,800	£20,150
New Forest	£5,524	£18,794	£24,318
Rushmoor	£4,650	£12,625	£17,275
Test Valley	£6,313	£11,968	£18,281
Winchester	£5,580	£16,734	£22,314

Highest	£6,603	£22,018	£28,621
Lowest	£3,772	£11,968	£17,275
Mean	£5,509	£16,409	£21,918
Median	£5,580	£16,000	£20,500
South East Allowances Survey 2013/14 District Councils (Av)	£4,689	£14,578	£19,267

28. Benchmarking (see Table 2 above) shows that the average Basic Allowance payable (£4,689) for South East district councils is notably below that currently paid in Winchester (£5,580). On the other hand, the current Winchester City Council Basic Allowance is on a par with Hampshire peer authorities (where the average Basic Allowances is £5,509). The Panel regards the latter as a more relevant peer group as the South East Employers survey includes many of the smallest district councils in England, which pay correspondingly lower allowances. Nonetheless, the Panel was content that the 2014/15 Winchester Basic Allowance is on a par with immediate peer authorities and there is no need to recommend any change this side of the outcome of the Local Government Boundary Commission Electoral Review.

The recommended Basic Allowance for 2015/16

29. **The Panel recommends that the Basic Allowance for 2015/16 is £5,580 subject to the application of annual index that may be applied by the Council** (see below for details on indexation).

The Leader's SRA

30. Benchmarking shows that the Leader's current SRA (£16,734) is above the average (£14,578) in South East districts but on a par with that paid to Leaders of Hampshire district councils (£16,409). The Panel is aware that Winchester City Council is one of the larger district councils in the South East and close to the average size (population) for district councils in Hampshire and borne that context in mind when benchmarking.
31. Additionally, previous panels have always assessed the role of Leader, if not full time, then requiring a time commitment that precludes normal full time employment. If anything, the Leader's role has become greater since the 2011 review in that the advent of Local Enterprise (and other) Partnerships has increased the regional and sub-regional role of the Leader. More generally, since 2 April 2014 the levels of financial

delegation have been increased for all Portfolio Holders (including the Leader) as it has for Committees and Officers. This has led to more Portfolio Holder Decisions (PHD) which is not necessarily a sign of greater workload but more streamlined decision making underpinned by enhanced responsibility. Finally the current political configuration of the Council, with a minority administration, means the Leader has to spend more time working informally with Members from other groups to ensure that the business of the Council is carried out.

Recalibrating the Leader's SRA

32. The Leader's SRA has been recalibrated by replicating the approach the Panel has used in the past, i.e., by multiplying the Winchester Basic Allowance by a factor of 3. This was and remains in keeping with the regional and Hampshire differentials between the average Basic Allowance and Leaders' average SRA. Thus the Leader's recalibrated SRA would be £20,928. Although this would give the Leader the 2nd highest SRA in Hampshire it would not be the highest in the South East, which is the Leader of Dartford with an SRA of £27,857. The Leader's total recalibrated remuneration package would be £27,904 which is still less than the median gross annual salary (£29,895) of all full time employees in Winchester.
33. As with the recalibrated Basic Allowance the Leader's recalibrated SRA has been flagged up to show how much it has lost value against the original calculation in 2006 and as a marker to revisit post-2016, not necessarily to say it is the figure the Panel has in mind but one that it will reconsider.
34. The Panel recognises that now is not the appropriate time to recalibrate the Leader's SRA and **the Panel recommends that the Leader's SRA of £16,734 remains unaltered for 2015/16, subject to any indexation that may apply.**

Other SRAs currently payable

35. The Panel specifically considered whether there was a case to revisit the Scrutiny SRAs which had been recommended in the Supplementary Review 2011 when the posts were new and operational experience of the roles was unknown. No evidence was presented that the Panel had got it wrong; indeed the view was that the Panel had got it broadly right at least in terms of the SRAs for the Scrutiny Leads relative to other posts.

36. Benchmarking shows that when local variables are taken into account the scope and levels of SRAs payable in Winchester compare with their peers. The representations received did comment on the differentials between some of the current SRAs payable but there was a general acceptance that the SRA framework reflected the scope of responsibilities undertaken bearing in mind the overarching consideration that the economic context was paramount.
37. **The Panel recommends that no change should be made to the current schedule of SRAs payable for 2015/16 subject to any indexation that may apply.**

Posts currently not in receipt of an SRA - Standards Committee Chairman

38. The Localism Act 2011 abolished the national Standards regime and has impacts locally regarding local Standards governance arrangements. While still a statutory function there is no longer a statutory requirement to maintain a stand-alone Standards Committee. Winchester City Council has chosen to do largely to ensure a wider Member involvement when considering an historically high level of complaints against Members (mostly at parish and town councils). Moreover, the Council now appoints an elected Member to chair the Standards Committee. The current allowances scheme specifies that only a Co-optees' Allowance of £3,024 (equivalent to SRA Band 4) may be payable. By definition this allowance can only be paid to a co-opted Chairman of Standards, not a Chairman who is an elected Member.
39. Currently this is not an issue as the present Chairman of Standards is also Vice Chairman of the Planning Committee and by virtue of holding this post receives an SRA of £2,280 (Band 5). Under the 1-SRA only rule a post holder is only able to draw down 1 SRA, but this may not be the case in the future. To future-proof the scheme the Panel has made a recommendation on the appropriateness of an SRA for the Chairman of the Standards Committee should the post holder be eligible to receive the SRA.
40. There is a case to pay an SRA to the Chairman of the Standards Committee mainly because it assists the Council fulfil its statutory duties under the Localism Act 2011. However, there has been a noticeable drop off of the number of meetings, including Determinations and Assessment Sub-Committees, since the provisions of the Localism Act 2011 became operable in July 2013. Consequently, a Band 6 SRA (£1,521) is more appropriate in the current context. The Panel recognises that the workload of the Standards Committee and its Chairman could fluctuate greatly from

year to year and if this is the case the Panel can always review such a situation and make retrospective recommendations accordingly.

41. **The Panel recommends that the Winchester City Council Members' Allowances scheme be amended to remove the provision of a Co-optees' Allowance (£3,024) for an independent co-opted Chairman of the Standards Committee.**
42. **It is also recommended that the current SRA schedule be amended with the addition of an SRA for the Chairman of the Standards Committee, payable at £1,521 (Band 6) for 2015/16, subject to any index that may be applied.**

Ordinary Members of the Planning Committee

43. As in previous reviews, representation was made to the Panel to consider whether the ordinary Members of the Planning Committee merit a SRA because of the extra work required of them; and, in particular, as the Committee is required to meet monthly with accompanying site visits. There was a consistent view that suggested being on the Planning Committee was onerous beyond that experienced on other committees or panels.
44. This is more of a workload rather than a responsibility issue; as such it could and appears to be managed by Members through the number and mix of committees/panels they agree to sit on. A position not undermined in there being no shortage of Members putting themselves forward to sit on the Planning Committee. The 2006 Statutory Guidance (paragraph 73) specially addresses this issue and warns that additional duties in themselves are not necessarily an argument to receive an SRA:

It does not necessarily follow that a particular responsibility which is vested to a particular member is a significant additional responsibility for which a special responsibility allowance should be paid. Local authorities will need to consider such particular responsibilities very carefully. Whilst such responsibilities may be unique to a particular member it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance should be recommended.

45. Indeed, the Panel has always considered the Basic Allowance to include payment for potentially being on at least one regulatory committee and it continues to be of this view. Finally, benchmarking shows that it is rare for an SRA to be paid for this role across the South East³ and not at all in the Hampshire comparator group⁴.
46. **The Panel recommends that an SRA should not be paid to the ordinary Members of the Planning Committee.**

Qualifying Criterion for Leaders of Other (Opposition) Groups

47. No counter view was received to indicate that the qualifying criterion of having 5 Members to justify the payment of 'Other (Opposition) Group Leaders' SRA' is unfair, or undermined the role of a well-resourced Opposition.
48. **It is recommended that there be no change to the qualifying criterion of 5 Members for the SRA for a Leader of any Other (Opposition) Group Leader is payable.**

Group Managers allowance– Qualifying Criteria

49. Similarly, no evidence was received to indicate that the current qualifying criterion of 19 Members (one third of council) for the Group Managers SRA to be payable was not appropriate.
50. **It is recommended that there be no change to the qualifying criteria of 19 Members for the Group Managers SRA to be payable.**

The 1-SRA only rule

51. No evidence was received to indicate that the 1-SRA only rule was no longer appropriate. It is now common practice across English local government.

³ Planning Members do receive an SRA in *inter alia* Arun, Chiltern, Eastbourne, Epsom & Ewell, Lewes and Runnymede. In Runnymede the SE Employers 2013/14 Members' Allowances survey reports that its Planning Committee Members receive an SRA of £1,672, which is more than the SRA for the Deputy Leader (£1,434).

⁴ The SE Employers survey shows that Planning Members in Basingstoke & Deane receive an SRA of £440. An analysis of the actual scheme shows that the only reference to an allowance of £440 is in regards to a Co-optees' Allowance so the SE Employers data, it can only be assumed, is a result of an incorrect entry to the survey.

52. **The Panel recommends that the 1-SRA only rule be maintained.**

Maximum number of SRAs payable

53. In accordance with the 2006 Statutory Guidance (paragraph 72) the Panel has always recommended that no more than 50% of Winchester City Council Members should be in receipt of an SRA at any one time. The Statutory Guidance points out that it would be difficult to justify to the electorate if the majority of Members were deemed to be in posts that incur 'significant responsibility'. The Panel received no evidence to change this position.
54. **The Panel recommends that the cap of no more than 50% (or currently 28 in total) of the Council Membership are to be receipt of an SRA at any one time be maintained.**
55. The Panel recognises that this cap may have to be revisited once the outcome of the Local Government Boundary Commission Electoral Review and its implications for governance arrangements are in place for 2016/17.

Travel and Subsistence Allowances

56. No evidence was received to indicate that the current terms and conditions, including approved duties, and rates at which these allowances are claimable needed revisiting.
57. **The Panel recommends that the current travel and subsistence allowances, including the approved duties and terms and conditions for which they are claimable, be maintained at current rates for 2015/16, subject to any indexation that may be applicable.**

Dependants' Carers' Allowance (DCA)

58. The Dependants' Carers' Allowance (DCA) is rarely claimed. But this is not reason enough to discontinue the allowance. It reinforces one of the Panel's overarching principles: namely that it may help to reduce barriers to public service particularly for traditionally underrepresented groups on Council. All those interviewed agreed that it should be retained as part of the scheme.

59. **The Panel recommends the DCA be maintained at current rates and conditions payable for 2015/16 subject to any index applicable.**

Co-optees Allowance - Parish Representatives on Standards

60. The Council has chosen to retain 3 co-opted Members, representing the Parish and Town Councils, on the Standards Committee. They currently receive a Co-optees' Allowance of £240 per year and can claim travel and subsistence on the same basis as full Council Members. Since the Supplementary Review, while the number of Standards Co-optees (Parishes) remains unchanged they are no longer statutory or full voting Members of the committee. However, the current Co-optees' Allowance is set at a level that to reduce it would make it pointless. As it stands it is no more than recognition for the time demands placed on these Co-optees rather than a real attempt to provide recompense. The Panel received no evidence to change this approach.
61. **The Panel recommends that the current Co-optees' Allowance be maintained at £240 per year for 2015/16 subject to any indexation that may be applicable. The Panel also confirms the entitlement of the Co-optees to claim travel and subsistence allowance in accordance with the provisions of the current Members' Allowances scheme.**

Members and the Local Government Pension Scheme (LGPS)

62. Previous Panels have always supported leaving the door open for the Council to decide on whether Members should be permitted to join the Local Government Pension Scheme (LGPS). The Council has historically chosen not to accept this recommendation – which is its right. However, this is no longer an issue for the Panel to consider. Since 1 April 2014 elected Members are no longer able to join the LGPS so the Panel is not required to make a recommendation on this issue.

Remove Reference to Withdrawal of Allowances from Scheme

63. The current Members' Allowance scheme (paragraph 7) makes provision the withholding or repayment of allowances in accordance with Part III of the Local Government Act and subsequent regulations made under that Part. Since the implementation of the Localism Act 2011 Members cannot have their allowances withheld or be required to repay their allowances if found in breach of the Code of Conduct. Consequently, paragraph 7 is redundant and should be removed.

64. **The Panel recommends that paragraph 7, the role of the Standards Committee - withholding or repayment of allowances, be removed from the Members' Allowances scheme.**

Indexation

65. The Council has chosen not to index allowances over the past four years except the mileage rate which increased from 40p to 45p per mile in line with HMRC mileage rates, for 2013/14 and 2014/15. The applicable index for the principal allowances is the national percentage annual salary increase as agreed each year by the National Joint Council (NJC) for Local Government Staff (linked to Spinal Column Point 49 of the NJC Scheme).
66. The Panel recommends that the Council should continue to have the authority to index-link allowances in this way for another four years. This does not require the Council to apply any of the relevant indices; but rather it gives the Council the choice. 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 but only if the principle of indexation is in place.
67. The Panel is of the view that the primary applicable index should continue to be the NJC index. It treats Members and staff equally, and indirectly has some relationship to what local government can afford. **The Panel recommends allowances are indexed as follows:**
- **Basic Allowance, SRAs, Co-optees' Allowances, DCA and Subsistence Allowances:**
 - Indexed to the local government staff annual percentage increase at spinal column point 49, as agreed by the National Joint Councils for Local Government Staff Services and implemented from the date of the Annual Council Meeting each year having regard to the increase awarded to Officers, which is normally 1 April of each year and, therefore takes into account the percentage change from the previous 1 April each year.
 - **Travel Allowances:**
 - **Mileage:** indexed to the HMRC rates
68. These indices should be included in new scheme to be adopted for 1 April 2015 and run for four years beginning from the same date or until the Panel reviews allowances once more, whichever is sooner.

Parish Councils

69. 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, based upon the City Council's scheme. The Panel has historically not recommended that the Parish Council make available the Parish Basic Allowance as there has been no representation received to suggest that it was appropriate. As in previous reviews all Parish Councils were invited to comment upon the need for any changes to the existing recommended scheme, but no comments or requests for any amendments were made.
70. **The Panel recommends that the Parish Councils within the Winchester City Council area should not pay a Parish Basic Allowance to 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.
71. However, if the Panel does not provide fresh authority for indexation of Travel and Subsistence Allowances then the Parishes will not be able to up rate them on the same basis as Winchester City Council. **Therefore, the Panel recommends that where a Parish Council pays Travel and Subsistence Allowances to its Members that they are indexed to and payable at the same rates and conditions as specified in the Winchester City Council Members' Allowances scheme.**

Publication of Attendance Records

72. With the end of the Attendance Allowance from 1 January 2004 there were some fears expressed to a previous Panel review that there might be a drop off in Members attendance as the Basic Allowance is a flat rate allowance that is payable regardless, subject to the six month rule. Subsequently, the Panel recommended that Members' attendance records were published each year to make it publically transparent which Members were attending what meetings. The Council accepted this recommendation and continues to include Members attendance records in its statutory annual publication of allowances and expenses received by Member. Over the years these records have shown that, in the main, there has been no significant drop-off in attending formal meetings of the Council and its committees/panels by Winchester City Council Members.

73. However, increasingly this publication does not capture all of the activities that Members are now undertaking. The annual publication of Members' attendance records can be misleading as Members focus of activities has shifted to more informal arenas over the years. Modern information technology now enables public access to the relevant attendance data by those who are interested.
74. Further, the annual publication of Members attendance records is not a cost-free exercise in terms of the time spent by officers collating and publishing the information. The Panel feels that the cost of collection, maintenance and publication of Member's attendance records is not any longer a justifiable use of Council resources.
75. **The Panel recommends that the inclusion of information relating to Members' attendance at formal meetings in the Council's annual statutory publication of allowances and expenses received by each Member be discontinued from the 2014/15 publication onwards.**

Implementation

76. **The Panel recommends that the recommendations contained within this report be implemented from 1 April 2015. The relevant indices should also be applicable from the same date which would enable the Council to take account of the officers 2014/16 pay award (subject to it being confirmed) in setting the 2015/16 Members' allowances rates, if it so wishes.**

APPENDIX 1: Members and Officers who met with the Panel

Councillors:

Cllr R. Humby:	Leader of the Council and Majority (Conservative) Group
Cllr K. Learney:	Leader of Main Opposition (Liberal Democrat) Group
Cllr C. Pines:	Chair of The Overview & Scrutiny Committee & Leader of Other (Labour) Opposition Group
Cllr M. Power:	Scrutiny Lead (Liberal Democrat)
Cllr M. Read:	Chairman of Standards Committee & Vice Chairman of Planning Committee (Conservative)

Officers:

Stephen Whetnall:	Chief Operating Officer
David Blakemore:	Democratic Services Manager

APPENDIX 2: INFORMATION RECEIVED & REVIEWED BY THE PANEL

1. The Panel's Terms of Reference
2. Briefing Paper on Winchester City Council
3. Winchester City Council IRP Report December 2010 including accompanying report to Council 24 February 2011
4. Winchester City Council IRP Supplementary Report December 2011 including accompanying report to Council 23 February 2012
5. Winchester City Council Members' Allowances scheme as published 4 June 2014
6. Winchester City Council Statutory Publication of allowances and expenses received by Members 2014/15
7. List of SRAs payable to Winchester Members and for which post held 2014/15
8. Winchester City Council current electoral map
9. Winchester City Council structure diagram
10. Winchester City Council index of committees
11. Winchester City Council committee membership including substitutes and working groups, etc 2014/15
12. Winchester City Council Portfolio Holders and remit including shadow Portfolio Holders and their remit 2014/15
13. Planning and Licensing Committees revised schemes of delegation
14. Winchester City Council Meetings Timetable 2014/15
15. Member Role Profiles
16. Governance Review - Report of the Chief Operating Officer, 19 March 2014, including details on increased Executive delegation and changes to scrutiny
17. Details of Cabinet Committees
18. Planning Performance figures 2013/14 and in comparison to 11/12 and 12/13 figures
19. Winchester Town Forum Terms of Reference
20. Waterlooville, North of Whiteley and Barton Farm Forums - terms of reference
21. Details of Winchester City Council Members on outside bodies
22. Appointments by the Overview & Scrutiny Committee 2014/15
23. Outline of Council's ability to implement Informal Scrutiny Group recommendations
24. Winchester City Council Results of Councillor Activity survey 2014
25. Members Charter
26. Attendance records of Members including training
27. Winchester City Council number of meetings and average length 2012/13
28. Councillors Census 2013, summary of hours put in by Councillors by council type and positions held (LGA)
29. Summary of SE Employers Members' Allowances Survey 2013/14
30. Members' Allowances schemes (2013/14) from other Hampshire districts, including:
 - Basingstoke & Deane
 - East Hampshire
 - Eastleigh
 - Fareham
 - Gosport

- Hart
- Havant
- New Forest
- Rushmoor
- Test Valley

31. Statutory Guidance on Consolidated Regulations for Local Authority Allowances 2006

32. 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
- 2004 No 2596 The Local Authorities (England) Amendment) Regulations 2004

33. Copy of Power Point presentation by Declan Hall (Chair) on reviewing allowances: patterns, approaches and issues

APPENDIX 3: ALLOWANCES PAID IN COMPARATOR AUTHORITIES

BM1 Winchester Benchmarking Group - Hants + SE District Councils: BA + Exec + Scrutiny Committee SRAs (2013/14)												
	BA	Leader	Leader Total Package	Deputy Leader	Exec Members	Chair Main O&S	Main O&S V/Chair	Chairs or Leads O&S	O&S V/Chairs	Chairs O&S Panels &/or T&F WGs	Chair Council	Council V/Chair
B'stoke & Deane	£6,603	£22,018	£28,621	£14,669	£11,009			£5,504	£550			
East Hampshire	£4,500	£16,000	£20,500	£6,917	£4,150	£2,767	£692	£1,383		£692	£2,767	
Eastleigh	£6,045	£19,336	£25,381	£8,942	£7,664			£2,554	£639			
Fareham	£6,530	£19,591	£26,121		£10,884	£7,618	£816	£6,802	£816			
Gosport	£5,736	£13,326	£19,062		NA			£3,201				
Hart	£3,772	£15,305	£19,077	£6,079	£5,520			£2,001	£764		£2,982	£1,028
Havant	£5,350	£14,800	£20,150	£8,880	£8,140	£5,920		£1,973				
New Forest	£5,524	£18,794	£24,318		£9,397			£4,699				
Rushmoor	£4,650	£12,625	£17,275	£8,485	£7,475			£3,030			£1,010	
Test Valley	£6,313	£11,968	£18,281	£8,181	£7,626			£6,313	£1,263		£2,820	£556
Winchester	£5,580	£16,734	£22,314	£9,129	£7,605	£7,605		£1,521		£1,521	£2,280	
Highest	£6,603	£22,018	£28,621	£14,669	£11,009	£7,618		£6,802	£1,263		£2,982	
Lowest	£3,772	£11,968	£17,275	£6,079	£4,150	£2,767		£1,383	£550		£1,010	
Mean	£5,509	£16,409	£21,918	£8,910	£7,947	£5,978		£3,544	£806		£2,372	
Median	£5,580	£16,000	£20,500	£8,683	£7,645	£6,763		£3,030	£764		£2,767	
SEE 2013/14 Survey (Av)	£4,689	£14,578	£19,267	£6,948	£6,974			£3,865	£906		£5,277	

BM2 Winchester City Council Benchmarking Group - Hants + SE District Councils: Regulatory SRAs (2013/14)

	Chair Planning	Planning V/Chair	Chair Area DCC	Area DCC V/Chair	Chair Licensing &/or Regulatory	Licensing V/Chair	Licensing Members	Chair Standards	Chair HR or Staff Appeals	HR or Staff Appeals V/Chair	Chair Audit	Audit V/Chair
B'stoke & Deane	£6,605	£660			£5,504	£550			£5,504	£550	£5,504	£550
East Hampshire*	£4,150	£1,383			£1,384		£692		£2,000	£1,383	£2,767	
Eastleigh					£1,599							
Fareham	£9,796	£816			£6,802	£816			£816	£164	£4,081	
Gosport	£4,268				£4,268							
Hart	£3,061	£1,020			£1,685	£764		£1,147	£1,685	£764	£1,685	£764
Havant*	£5,920	£1,973			£2,960	£978			£1,973			
New Forest	£5,215				£1,936						£1,936	
Rushmoor	£5,050				£5,050		£405 after 3 meetings				£1,010	
Test Valley	£4,747	£960	£4,747	£960	£4,747	£960			£2,076	£404	£2,076	£404
Winchester	£7,605	£2,280			£3,042			£2,280	£3,042		£2,280	
Highest	£9,796	£2,280			£6,802	£978			£5,504	£1,383	£5,504	£764
Lowest	£3,061	£660			£1,384	£550			£816	£164	£1,010	£404
Mean	£5,642	£1,299			£3,543	£814			£2,442	£653	£2,667	£573
Median	£5,133	£1,020			£3,042	£816			£2,000	£550	£2,178	£550
SEE 2013/14 Survey (Av)	£4,533	£1,285			£2,556	£822					£2,304	

* E. Hants & Havant have Joint HR Committee & alternate Chair & V/Chair: E. Hants pay Chair £2,000 & V/Chr £1,383 & Havant pay Chair £1,973

BM3 Winchester City Council Benchmarking Group: Hants DCs & SEE Allowances Survey 13/14: Group & Misc SRAs

	Main Opposition Group Leader	Main Opposition Deputy Group Leader	Shadow Executive or Spokesmen	Minor Opposition Group Leader	Third Opposition Group Leader	Group Managers	Chairs Areas or Local Forums	Area or Local Forum V/Chair	Chair Joint Governance	V/Chair Joint Governance	Comments
B'stoke & Deane	£6,605			£3,303	£3,303						
E. Hampshire*	£2,767						£2,767		£2,000	£1,383	
Eastleigh	£5,110						£3,194	£798			Members get more than 1 SRA
Fareham	£6,530		£272	£3,266	£1,633		£4,081				
Gosport	£1,932			£1,932							
Hart	£2,001			£37 p/group Member	£37 p/group Member						
Havant*	£600								1973		
New Forest	£7,048	£1,000		£1,000							BA = £5,897 if inc £373 IT allowance
Rushmoor	£3,030			£3,030							
Test Valley	£2,820										
Winchester	£7,605			£2,280		£1,521	£1,521				
Lowest	£600			£1,000			£1,521				
Mean	£4,186			£2,469			£2,891				
Median	£3,030			£2,655			£2,981				
SE Allowances Survey 13/14 (av)	£3,263	£1,038	£1,045	£2,361							

* E. Hants & Havant also have Joint Governance Committee & alternate Chairs & V/Chairs: E. Hants pays Chair £2,000 & V/Chr £1,383 while Havant pays Chair £1,973

BM4 Winchester Benchmarking Group Hants DCs totals payable & Mean spend per Cllr SEE Survey 13/14					
Hants District Councils	Population	Number of Members	Allowances Budget	Mean £ per Member	Allowances Cost per resident
Basingstoke & Deane	170,500	60	£1,128,400	£18,807	£6.62
East Hampshire	115,600	44	£288,000	£6,545	£2.49
Eastleigh	124,000	44	£400,000	£9,091	£3.23
Fareham	111,289	31	£412,700	£13,313	£3.71
Gosport	83,276	34	£232,480	£6,838	£2.79
Hart	88,000	35	£214,000	£6,114	£2.43
Havant			NA	NA	NA
New Forest	176,462	60	£489,690	£8,162	£2.78
Rushmoor	97,000	39	£300,000	£7,692	£3.09
Test Valley	116,000	48	£402,838	£8,392	£3.47
Winchester	118,400	57	£443,600	£7,782	£3.75
Mean	120,053	45	£431,171	£9,274	£3.44