

Report of the Independent Remuneration Panel
Basingstoke and Deane Borough Council April 2017.

1. Introduction

- 1.1 Councillors are elected to serve terms on local authorities, Councils, and provide a vital role in enabling the voice of citizens to be heard and taken into account when determining local matters. It is important that the council, through its members, represents all communities. Those wishing to participate in public life should be encouraged to do so and supported in carrying out this vital role which is at the heart of our democratic way of life.
- 1.2 An individual's financial status or family circumstances should not be a barrier to entry and thus it is important in a democratic society that support is provided to those who are constrained by financial considerations from participating because they cannot afford to take time off work or incur out of pocket expenses e.g. for carers, to become involved in public life.
- 1.3 It is an unusual quirk of the law that those who receive the allowances are the same as those who set them. The safe guards are accountability and transparency. Any scheme that is adopted, will be subjected to public scrutiny and thus has to be fair to those who receive the allowances, recompenses them their time both in pursuing the undertaking but also time away from family, effort expended but also recognising that there should be an element of public service in performing the role and that it represents good value for money to the taxpayers.
- 1.4 In undertaking the review we have sought to balance those factors and make recommendations that represent good value for money to the tax payer but will also aid participation in public life by as broad a sector of the population as possible.

2. Membership

- 2.1 The legislation requires that an Independent Remuneration Panel shall consist of at least three members none of whom –
 - (a) is also a member of an authority in respect of which it makes recommendations, or is a member of a committee or sub-committee of such an authority; or
 - (b) is disqualified from being or becoming a member of an authority.
- 2.2 The three individuals detailed below were approached to gauge their interest to be appointed to the council's IRP. In addition to expressing an interest all three confirmed that they met the requirements of an independent person, as stated above.

Mr. D Blakemore Democratic Services Manager, Winchester BC

Mr K Patel Local Businessman and former executive officer in a multinational electronics firm based in the borough

Mr A Vallance Chief Finance Officer, Hart DC

The mix of skills, experience and knowledge as a collective proved invaluable to this IRP to undertake this review.

3. Context

3.1 The IRP is an independent body established by the council. It is required to discharge its function in such manner as it sees fit and has an unfettered discretion as to the recommendations it may make to the council, subject to the legislative framework within which it must operate. After considering material evidence and producing a report, the council must have regard to the IRP report before it can establish a scheme of allowances for members.

3.2 Whilst the IRP is not constrained by the council, it would not be prudent to consider a review of allowances in isolation of prevailing national and local circumstances. Nationally the country is still in a period of austerity, with economic growth at relatively low levels, employment levels improving, interest rates still at record low levels and inflation starting to increase. Local authorities continue to face funding gaps, growing pressure for many services and pay awards for officers have been modest after a period of being frozen.

3.3 As part of setting the context for this review we were informed that the collective view of the group leaders on the council was that the IRP should be made aware of the following:

- there were financial constraints for the council's budget, with increasing pressures in the medium term. Members did not wish to allocate any more resources to this budget head (members allowances)
- members did not wish to divert member or officer resources, other than absolutely necessary, to support the IRP in undertaking its work
- their preference was for the IRP to undertake a desktop review
- members were broadly content with the current scheme and would have applied the existing index if they could have
- there was little appetite for a full review and significant changes to the scheme, for the time being. This was due to potential structural changes to the authority's constitution as a result of the boundary commission review of local ward boundaries, number of members on the council and potential impact on special responsibilities, which will report later this year
- as an employer the council seeks to set its remuneration levels for officers with the upper quartile of a relevant public sector grouping.

4 Training and Support

4.1 The IRP was provided with training on the

- i. establishment of an IRP
- ii. its responsibilities
- iii. the legislative background
- iv. the types of allowances permitted
- v. option of indexation
- vi. the production of a report
- vii. administrative support.

5. Review

- 5.1 The IRP was requested to elect a chairperson and then conduct a review. Following a short discussion Mr Vallance was elected chairperson of the IRP unanimously. The IRP were informed that it had an absolute discretion on the form and scope of the review, it was a matter for the IRP to determine how to conduct its review, the scope, the timescale and resources deployed.
- 5.2 The IRP took account of the local context relayed to us from the group leaders on the council and that the wishes were unanimous across the political spectrum represented on the council. These wishes were expressed, with no dissenting voices, at the council meeting in February 2017 which approved the establishment of the IRP.
- 5.3 The members of the IRP considered and debated in private the methodology to adopt, free of any hindrance or pressure. The IRP determined to undertake a desktop review.
- 5.4 We were then provided with a significant volume of material to undertake the review
- i. Report considered at Council February 2017 and minute
 - ii. Copy of the 2003 regulations
 - iii. Current scheme of allowances for BDBC
 - iv. Copies of updated Members allowances schemes for all Hampshire local authorities
 - v. Copies of updated Members allowances schemes for CIPFA nearest and closest authorities
 - vi. A summary table identifying for each type of allowance, the highest, the lowest, mean and median quantum
 - vii. A budget modelling tool.

6. Findings of the review

- 6.1 We then reviewed the material that had been provided. A comparative table was produced for the IRP by officers supporting us. The table listed all the local authorities in Hampshire and also in the CIPFA nearest and closest model. For each authority their scheme of allowances was broken down to allow for quick comparison of the different types of allowance paid and the quantum. We were satisfied with the material that was provided and did not require any other material to assist us in our work.
- 6.2 In private we reviewed the documents, discussed the information they contained and debated options before determining on a scheme which the panel would propose. During our deliberations we concluded:
- i. That all local authorities are unique in their local circumstances; however the nature of the functions they perform are broadly comparable within similar tier authorities
 - ii. The roles of back bench members are broadly comparable
 - iii. The roles which may attract special responsibility allowances may differ significantly from authority to authority
 - iv. Since the last IRP review was undertaken, the governance structure at BDBC has not changed significantly
 - v. There have been no significant changes in the administrative area, demographics or other social factors
 - vi. The growth of social media and e communications will have impacted on the work of members, making some aspects more challenging and others less so.

- vii. In light of the potentially significant changes to the number of members that form the council, the electoral cycle, and the discharge of functions by councillors, it would not be proportionate nor support efficacy to undertake a full review of allowances at this juncture.
- viii. Of the current scheme
 - a. collectively the allowances were broadly comparable to those paid by other authorities, spread across the financial breadth shown in the comparative data table, with some being median figures and others either at the top or bottom of the range
 - b. the SRAs are typical of those paid by other comparator authorities with all SRAs being paid at BDBC, also being paid by several other authorities
 - c. whilst some work could be undertaken to better reflect the additional responsibility and commitment in relation to the SRAs and their quantum, this is best undertaken following the implementation of the recommendations of the boundary review
 - d. The panel felt that Basingstoke's allowances generally compared favourably to the comparator authorities after 4 years.

7. Recommendations

7.1 The IRP recommend that

- i. the allowances identified in the current scheme are retained and carried forward to the new scheme (i.e. retain the same allowances, basic and SRAs)
- ii. the amount payable for each allowance is revised in line with the pay award that was implemented for officers in 2017 and rounded to the nearest multiple of 12 to ease payment (refer to appendix 3)
- iii. that the scheme be revised each year in line with the pay award to officers on the NJC terms and conditions
- iv. the scheme be reviewed after the implementation and suitable period for bedding in, of the recommendations of the boundary commission.

Mr. A Vallance
Chairperson
8 May2017

Permissible Allowances

The legislation provides for a number of possible different allowances to be paid:

- i. **Basic Allowance** to provide for the payment of an allowance to each member of an authority
- ii. **Special Responsibility Allowance** to such members of the authority that have such additional responsibilities. Such an allowance may be made if the responsibility falls within one or more of the following categories –
 - (a) acting as leader or deputy leader of a political group;
 - (b) acting as a member of an executive;
 - (c) presiding at meetings of a committee or sub-committee of the authority, or a joint committee
 - (d) representing the authority at meetings of, or arranged by, any other body;
 - (e) acting as a member of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods;
 - (f) acting as the spokesman of a political group
 - (g) acting as a member of an adoption panel
 - (h) acting as a member of any committee or sub-committee that deals with any function arising under the authority to license or control the carrying on of any activity;
 - (i) carrying out such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned in sub-paragraphs (a) to (h)
- iii. **Dependents Carers Allowance** to members in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred in
 - (a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority;
 - (b) the attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority;
 - (c) the attendance at a meeting of any association of authorities of which the authority is a member;
 - (d) the attendance at a meeting of the executive or a meeting of its committees;
 - (e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972;
 - (f) acting as a member of any committee or sub-committee that deals with any function arising under the authority to license or control the carrying on of any activity;
 - (g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any approved school;
 - (h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees or sub-committees.

- iv. **Travelling and Subsistence** an allowance in respect of travelling and subsistence, including an allowance in respect of travel by bicycle or by any other non-motorised form of transport, undertaken in connection with or relating to such duties as are specified in the scheme and are within one or more of the following categories –
- a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub committee of such a body;
 - b) the attendance at any other meeting, the holding of which is authorised by the authority or a committee or sub-committee of the authority, or a joint committee;
 - c) the attendance at a meeting of any association of authorities of which the authority is a member;
 - d) the attendance at a meeting of the executive or a meeting of any of its committees;
 - e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972;
 - f) the performance of any duty in connection with the discharge of any function of the authority;
 - g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any approved school;
 - h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.
- v. **Co optees allowance**, the payment of an allowance for each year to a member in respect of attendance at conferences and meetings , here “member” means a person who is not a member of the authority but who is a member of a committee or sub- committee of an authority.

Members allowances schemes considered

	Hampshire local authorities		CIPFA nearest neighbours *
1.	East Hampshire DC	1.	Huntingdonshire
2.	Eastleigh BC	2.	Dacorum
3.	Fareham BC	3.	Chelmsford
4.	Gosport BC	4.	Maidstone
5.	Hart DC	5.	Wycombe
6.	Havant BC	6.	Aylesbury Vale
7.	New Forest BC	7.	Cherwell
8.	Rushmoor BC	8.	Colchester
9.	Test Valley BC	9.	Tonbridge & Malling
10.	Winchester City Council	10.	East Hertfordshire
		11.	Braintree
		12.	North Hertfordshire
		13.	Vale of White Horse
		14.	Ashford

*CIPFA nearest neighbours. A tool developed by the Chartered Institute of Public Finance and Accountancy to aid local authorities in comparative and benchmarking exercises. The CIPFA Nearest Neighbours Model adopts a scientific approach to measuring the similarity between authorities, taking many of these issues into account. It is used across both local and central government.

Allowances Recommended for 2017/18

1. Basic and Special Responsibility Allowances

Basingstoke and Deane Borough Council	2016-17		2017-18		
	Annual Allowance £	Number eligible for allowance	Allowance Post Increase £	Number eligible for allowance	Annual Allowance (rounded to nearest multiple of 12) £
			% Inc. 1		
Basic Allowance	6,803	60	6,871	60	6,876
Co-opted Member (Non Councillor Position)	452	7	457	7	456
Independent Persons Allowance	1,675	0	1,692	0	1,692
Special Responsibility Allowances (SRAs)					
Leader	22,685	1	22,912	1	22,908
Deputy Leader	15,114	1	15,265	1	15,264
Cabinet Member / Portfolio Holder	11,342	5	11,455	5	11,460
Committees					
Chair of Audit and Accounts	5,671	1	5,728	1	5,724
Vice Chair of Audit and Accounts	568	1	574	1	576
Chair of Development Control	6,805	1	6,873	1	6,876
Vice Chair of Development Control	681	1	688	1	684
Chair of Licensing	5,671	1	5,728	1	5,724
Vice Chair of Licensing	568	1	574	1	576
Chair of Scrutiny	5,671	1	5,728	1	5,724
Vice Chair of Scrutiny	568	1	574	1	576
Chair of Community, Environment and Partnerships	5,671	1	5,728	1	5,724
Vice Chair of Community, Environment and Partnerships	568	0	574	0	576
Chair of Economic, Planning and Housing	5,671	1	5,728	1	5,724
Vice Chair of Economic, Planning and Housing	568	0	574	0	576
Chair of Manydown Overview	5,671	1	5,728	1	5,724
Vice Chair of Manydown Overview	568	0	574	0	576
Chair of Human Resources	5,671	1	5,728	1	5,724
Vice Chair of Human Resources	568	1	574	1	576
Chair of Standards	5,671	1	5,728	1	5,724
Vice Chair of Standards	380	1	384	1	384
Other SRAs					
Mayor	4,530	1	4,575	1	4,572
Deputy Mayor	1,301	1	1,314	1	1,320
Group Leader (Administration, principal opposition)	6,805	1	6,873	1	6,876
Group Leader (Liberal Democrats)	3,403	1	3,437	1	3,432
Group Leader (Independent Forum)	3,403	1	3,437	1	3,432

2. Travel and Subsistence

To track the amounts payable to officers employed on the NJC terms and conditions

3. Carers Allowance

To track the amounts payable to officers employed on the JNC terms and conditions.