

COUNCIL MEETING – 23RD JUNE 2022

AGENDA ITEM NO. 5

REVIEW OF MEMBERS' ALLOWANCES SCHEME

1. INTRODUCTION

- 1.1 Under Regulations relating to the preparation and review of members' allowances schemes, Rushmoor's Independent Remuneration Panel reviewed Rushmoor's scheme in October/November 2021. The remit of the Panel was to undertake a complete general review of the Scheme to ensure that it continues to be fit for purpose, including a review of the basic and special responsibility allowances in the context of the Council's financial position, and taking account of benchmarking information. In addition, the Remuneration Panel was asked to examine the relevance/applicability of the IT and telecommunications allowance, the implications of the evolving responsibilities of the Corporate Governance, Audit and Standards Committee and the new allowances for vice-chairmen and cabinet champions introduced at the last Review in 2018.
- 1.2 A copy of the Remuneration Panel's report is attached and set out below is a summary of the outcomes. The Council is being asked to adopt the recommendations of the Remuneration Panel in full.

2. INDEPENDENT REMUNERATION PANEL – PROPOSALS

(1) Background and Context

- 2.1 Rushmoor's Remuneration Panel has examined all parts of the current scheme and benchmarked the provisions against similar authorities regionally, locally and nationally through a range of indices. As in previous reviews, the Remuneration Panel recognised the importance of obtaining the views of Members and an essential part of this review was to receive this evidence.
- 2.2 In carrying out the review, the Remuneration Panel was also conscious of the need to take account of the Council's current financial position, its savings and transformation programme, and current economic conditions.

(2) Review of Main Elements of the Allowances

- 2.3 The Remuneration Panel noted that the Basic Allowance had not been fundamentally revised for many years and tested the robustness of the current allowance with a recalibration calculation and with benchmarking information as described in the Report. The outcome from this exercise is

that the Panel is proposing that an adjustment is needed to the basic allowance to make it more equitable.

2.4 Overall, the Remuneration Panel did not see a strong case to alter the Special Responsibility Allowances but has recommended the application of a cost-of-living indexation to each category. The Panel also considered the SRA issues requested for attention by the Council:

- The Remuneration Panel considered the case for paying a Special Responsibility Allowance (SRA) to Members of the Corporate Governance, Audit and Standards Committee, arising from a change of focus for the Committee with an enhanced requirement for governance training. However, the Panel considered that training and development was a matter of course and did not recommend the payment of an additional SRA.
- The Panel also reviewed the case for paying SRAs for the roles of the cabinet champions and the vice-chairmen of the Policy and Project Advisory Board and Overview and Scrutiny Committee. In both cases, the Panel was content that the roles were above and beyond what was required from an ordinary Member, and with discrete tasks.

2.5 Taking account of the evidence provided, the Remuneration Panel is proposing:

- the overall basic allowance be set at £6,200 for 2022/23
- the Information Technology & Telecommunications allowance be discontinued from the start of the 2022/23 municipal year
- the special responsibility allowance for the Leader be set at £17,200, and the allowance for the Deputy Leader role be set at £9,900 for 2022/23
- the special responsibility allowance for Cabinet Members be set at £8,550 for 2022/23
- the special responsibility allowance for the Chairmen of the Development Management and Corporate Governance, Audit and Standards Committee be set at £5,800 for 2022/23 with the provision for an additional payment for Members attending four or more licensing sub-committee meetings in one municipal year being £500 in 2022/23
- the special responsibility allowance for the Chairmen of the Policy and Project Advisory Board and the Overview and Scrutiny Committee be set at £4,300 for 2022/23

- the special responsibility allowance for the vice-chairmen of the Policy and Project and Advisory Board, and the Overview and Scrutiny Committee be set at £1,300 for 2022/23
- the allowance for Cabinet Champions is re-set at £1,750 for 2022/23
- the allowance for opposition group leaders be set at £3,500 subject to groups having a minimum of four Members
- the Mayor to receive a special responsibility allowance of £1,650 for 2022/23
- the co-optees allowance is reset at £550 for 2022/23

(3) IT and Telecommunications Allowance

- 2.6 The Remuneration Panel considered the justification for a separate IT and phone allowance, and the broader context in which a common and standardised approach to Members IT equipment is needed that meets the Council's protocols and security standards. Further to this, the Remuneration Panel is recommending that the current IT and Telecommunications Allowance is discontinued.

(4) Travel and Subsistence and Dependent Carers Allowances

- 2.7 The Remuneration Panel also reviewed the arrangements for the other allowances in the scheme and recommended:

- no revisions to the travel and subsistence scope, terms and conditions and maximum rates – except that an update should be made to take into account travel by hybrid/electric vehicles at mileage rates equal to those set by HMRC Approved Mileage Allowance Payment (AMAP) rates.
- the dependant carers' allowance continue to be paid in respect of childcare at the National Living Wage or, for other care, capped at the hourly wage charged by Hampshire County Council Social Services for a carer.

(5) Parental Leave Policy

- 2.8 The issue was raised with the Remuneration Panel there was a lack of clarity regarding allowances payable if and when a Member had to take maternity or paternity leave. The Panel recommended that an amendment be made to the allowances scheme that clarified the continued right of remuneration for a Member when they are required to take maternity, paternity or adoption leave for up to a period of 12 months, subject to the legal attendance requirements.

(6) Indexation

- 2.9 The current arrangements where members allowances are reviewed each year using indices applied nationally or through the local government system are to be retained for the four-year period until the end of March 2026.

3. FINANCIAL IMPLICATIONS

- 3.1 If the Council accepts the recommendations as set out in the Remuneration Panel's Report, the costs of Members Allowances will increase by 5.3% overall. In addition, the Council is moving towards supporting all members with the provision of Rushmoor IT equipment. The cost implications set out in the Report have been included in the Council's budget.
- 3.2 The Remuneration Panel is of the view that the new arrangements should be backdated to the Annual Meeting on 24th May, 2022 and any future uplifts will be implemented from the Annual Meeting date.

4. CONCLUSIONS

- 4.1 Rushmoor's Independent Remuneration Panel's review of the Members' Allowances Scheme has involved a fundamental examination of each element of the scheme. The new scheme reflects the Remuneration Panel's view in light of the information provided, the representations made by Members and the benchmarking data from other authorities.

5. RECOMMENDATIONS

- 5.1 The recommendation is for the Council to adopt the proposals set out in the Remuneration Panel's Seventh Report.
