

A Review of Members' Allowances

For

Rushmoor Borough Council

**The Fifth Report by the
Independent Remuneration Panel**

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May 2016

EXECUTIVE SUMMARY

Rushmoor IRP	Maximum Payable BA & SRAs 2016/17 (recommended)					
REMUNERATED POSTS	Basic Allowance	Nos. Paid	SRA per Post	SRA Ratio to Leader	Total per Member	SRA total per Category
All Members	£4,953	39	-			
Leader of Council	£4,953	1	£14,413	100.0%	£19,366	£14,413
Deputy Leader & Cabinet Member	£4,953	1	£8,670	60.2%	£13,623	£8,670
Other Cabinet Members	£4,953	5	£7,640	53.0%	£12,593	£38,200
Chairman Development Management Committee	£4,953	1	£5,160	35.8%	£10,113	£5,160
Chairman Licensing & General Purposes Committee	NA	0	NA	NA	NA	£0
Chairman Licensing, General Purposes, Standards & Audit Committee	£4,953	1	£5,160	35.8%	£10,113	£5,160
Chairmen Policy & Review Panels	£4,953	5	£3,100	21.5%	£8,053	£15,500
Chairman of Council	£4,953	1	£1,441	10%	£6,394	£1,441
Chairman Standards & Audit Committee	NA	0	NA	NA	NA	£0
Principal Opposition Group Leader	£4,953	1	£3,100	21.5%	£8,053	£3,100
Other Qualifying Opposition Group Leaders	£4,953	0	NA	NA	NA	£0
<u>SUB TOTALS</u>						
BA SUB TOTAL	£4,953	39				£193,167
SRAs SUB TOTAL		16				£91,645
<u>TOTAL PAYABLE</u> (BA + SRAs)						£284,812

The Panel also recommends:

SRA for Members serving on four or more Licensing Sub Committees

That the SRA for Members serving on four or more Licensing Sub Committees (Alcohol and Entertainments) in one municipal year, excluding the Chairman of amalgamated Licensing and General Purposes/Standards and Audit Committee, is maintained at £413 for 2016/17.

Chairmen of the Policy and Review Panel Task & Finish Working Groups

That the Chairmen of the Policy and Review Panel Task & Finish Working Groups are not paid an SRA at this stage. The Panel will return to the issue during its next review.

Clarifying SRA for Opposition Group Leaders'

That the scheme be amended to clarify that in the case where there is only one Opposition Group with less than four Members that the Principal Opposition Group Leaders' SRA remains payable. The schedule of allowances published on the Council's website should also be amended to include this clarification

The Information Technology & Telecommunications (ITT) Allowance

That the current ICT Allowance of £358 per year is maintained and continues to be identified and paid separately.

Maintaining the 1-SRA only rule

That the Council maintains the 1-SRA only rule a Member can receive no more than one SRA regardless of the number of remunerated posts held.

Co-optees' Allowances

That the Co-optees' Allowance is maintained at £475 for £2016/17.

The Allowances for expenses: Travel and Subsistence Allowances

That the conditions and maximum rates claimable under the Travel and Subsistence Allowances are maintained.

The Dependants' Carers' Allowance (DCA)

That the DCA distinguish between 2 different types of care as follows:

- Childcare: capped at the national living wage of £7.20 per hour (April 2016)
- Other care: capped at the hourly wage charged by Hampshire County Council Social Services for a home carer

The Panel also recommends that the current terms and conditions by which the DCA is claimed be maintained.

Confirmation of indexing

That the following allowances are indexed for four years (2016/17 to 2019/20), the maximum period permitted by legislation, without reference to the Panel as follows:

- Basic Allowance, SRAs, Co-optees and ICT Allowances: updated annually in line with the annual percentage pay increase given to Rushmoor Borough Council employees (and rounded to the nearest £) as agreed for each year by the National Joint Council for Local Government Staff.
- Out of Council Mileage Allowance: indexed to the HMRC AMAP (Authorised Mileage Allowance Payments) approved mileage rates.
- Out of Council Other Travel and Subsistence: reimbursement of actual costs taking into account the most cost effective means of transport and/or accommodation available and the convenience of use with the maximum rates indexed to the same periodic percentage increase that may be applied to Officer Travel and Subsistence Allowances.
- Dependants' Carers' Allowance: the maximum hourly rates to be indexed to the government's national living wage applicable to the age of the carer (childcare) and Hampshire County Council's hourly rate for a Home Care Assistance (care of other dependants).

Implementation

That the new scheme of allowances based on the recommendations contained in this report is adopted from the date of the Annual Meeting on 24 May 2016.

Independent Remuneration Panel: The Fifth Review of Members' Allowances

For

Rushmoor Borough Council

May 2016

Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the statutory Independent Remuneration Panel ('IRP' or 'Panel') appointed by Rushmoor Borough Council to advise the Council on its Members' Allowances Scheme.
2. *The Panel was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) (the 2003 Regulations). These regulations, arising out of the relevant provisions in the Local Government Act 2000, require all local authorities to maintain an independent remuneration panel to review and provide advice on the Council's Members Allowances. This is in the context whereby the Council retains powers to determine the scope and levels of Members' Allowances.*
3. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended members' allowances scheme.
4. In particular, the Panel has been reconvened under the 2003 Regulations [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.
5. This mechanism is the means by which all councils are required to reconvene their Panel at least once every four years thus ensuring a degree of public scrutiny and accountability vis-à-vis their Members' Allowances schemes. It is under this requirement that the Panel has undertaken this review of Members' Allowances for Rushmoor Borough Council.

Terms of Reference

6. In accordance with the 2003 Members' Allowances Regulations [paragraphs 10. (5) & 19. (1)] Rushmoor Borough Council has reconvened its statutory Independent Remuneration Panel (IRP) to review the Council Members' Allowances scheme. Specifically the Panel has been asked to make recommendations on the following:
- (a) The responsibilities or duties for which the following should be available:
 - Special Responsibility Allowances;
 - Travelling and Subsistence Allowances; and
 - Co-optees' Allowance
 - (b) The amount of such allowances and as to the amount of Basic Allowance that should be payable to elected Members and the expenses it should include
 - (c) Whether a Dependants' Carers' Allowance should be payable and as to amount of such an allowance
 - (d) The application of an index to allowances payable and if so what the relevant indices should be
 - (e) The allowance provision for IT and Telecommunications
 - (f) The implementation date for the new Scheme of Members' allowances
7. In undertaking the review, the Panel is expected to take into account:
- The Council's medium term financial strategy
 - The changing local authority/public service environment
 - Allowances paid in the Rushmoor Borough Council comparator group of councils;
 - The views of Members, both written and oral
 - Any other considerations that the Council obliges the Panel to take into account

The Panel

8. Rushmoor Borough Council reconvened its Panel and the following Members were appointed to carry out the independent review of allowances, namely:
- William Bagnall: Governor of Farnborough Sixth College and Chair of its Finance, Strategy and Estates Committee. Is involved in locally based enterprises with a professional background in the commercial property sector.
 - Dr Declan Hall (Chair): A former academic at the Institute of Local Government, The University of Birmingham, now an independent consultant specialising in

Members' Allowances and support with experience of reviews across the United Kingdom

- John Mitchell: Chief Executive Officer, Enterprise First (Aldershot), a not-for-profit company that provides business support and a Director of eight companies, mostly locally based.

9. Logistical and practical support to the Panel was provided by Jill Shuttleworth, Democratic Services Manager at Rushmoor Borough Council.

Process and Methodology

Evidence Reviewed by the Panel

10. The Panel met at the Council Offices, Farnborough on 14 and 15 March 2016 to consider the evidence and hear representations, including factual briefings on the Council by Officers. All Members were sent an aide memoir to use as a basis for any written submissions to the Panel and all Members who wished to meet with the Panel were accommodated as far as practically possible. The Panel also reviewed relevant written information, such as council and committee meetings schedules, benchmarking data, statutory guidance, etc¹. The Panel meetings were held in private session to enable it to meet with Members and Officers and consider the evidence in confidence.

Benchmarking: Hampshire and adjacent District Councils

11. As in previous reviews, and as per good practice, the Panel benchmarked the scope and levels of allowances paid to Members of Rushmoor Borough Council. The benchmarking group for this review had to be altered from previous reviews. Previously the Panel had two distinct benchmarking groups
 - The other 10 other Hampshire District Councils
 - All District Councils in the South East that replied to the South East Employers (SEE) annual survey of allowances
12. The SEE annual survey of allowances was not utilised for this review, partly as it no longer produces mean values for allowances except the Basic Allowance and Executive SRAs and partly due to when the survey was carried out: it is now 10 months old and does not take into account the large number of reviews in 2015/16 (a peak year in the 4 year cycle) nor the indexing for 2015/16 that has been applied by many local authorities.
13. In its stead the Panel expanded the benchmarking group of 10 other Hampshire District Councils to include the three councils that are adjacent to Rushmoor, namely Guildford, Surrey Heath and Waverley.

¹ See Appendices 1 & 2 for further details on the range of written evidence considered and list of Members who made representations to the Panel.

14. While it can be difficult to make systematic comparisons consistently, the Panel has undertaken benchmarking, where relevant figures can be obtained, against these two sub groups of councils to provide a more balanced perspective.²
15. The Panel has not been driven by Allowances paid across the comparator authorities but it was concerned to understand how the issues under review have been addressed elsewhere, i.e. what is the most common and good practice. Moreover, it was important to place the Rushmoor Borough Council Allowances Scheme in a comparative perspective. Leaving aside the fact that this only gives relative values and is less of a guide to the real worth of a councillor's work it informs elected Members on the wider picture, underlining some of the anomalies in the Rushmoor Borough model of remuneration and support.

Key Messages - Scheme not fundamentally changed since 2001

16. The current scheme has not been fundamentally reviewed since February 2001 when all the roles were relatively new. While the scheme has been amended since 2001 the methodology and variables utilised in arriving at the current allowances have not been revisited since then in light of most recent data and legislative and council changes.

Restoring equity

17. It is apparent that in relation to the Basic Allowance and Leaders' SRA there has been a loss of value. Allowances should be fair in that they provide a degree of recompense for workload and responsibility. Allowances should also be equitable when compared to peers. The current scheme fails on both points vis-à-vis the Basic Allowance and the Leader's SRA.

Transparency and Accountability

18. In the interest of probity and transparency, Members should be able to give account of their remuneration and support. Public perception should not be negative. As Members ultimately determine their own allowances and support, on advice from the Panel, they should be able to justify to the public their remuneration and support in terms of their own workloads and responsibility and in a comparative context.

Reduce barriers to public service

19. The policy intention behind the requirement to establish a Members' Allowances scheme for all English councils is to enable and facilitate Members' roles and responsibilities as far as practically possible while taking into account such factors as the nature of the council, local economic conditions and good practice. Thus the Panel has sought to recommend a scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become a Councillor without incurring undue personal financial cost.

² See Appendix 3 for more details.

20. Members' allowances schemes are not intended to 'attract' candidates for Council. Members' allowances were never intended to be paid at full 'market rates.' They would have to be at a level so high as not to be publically acceptable. Moreover, the Panel (and a number of interviewees) were not at ease with the concept of using allowances to 'attract' candidates for council - if elected Members were standing for and remaining on the Council due to financial appeal it would run contrary to the public service ethos. The desire to serve local communities and residents is the prime motive for being a Councillor. Remuneration should not be seen as a driver in citizens putting themselves forward to stand for council, as it negates the public service principle that is inherent in a Member's role. Yet, nor should remuneration be at a level that excludes many underrepresented groups from standing for Council because it would impose undue financial pressures on them. Moreover, if the Panel was to recommend 'market rates' it would cut against the principle of value for money (see below) and be at such a level it would be hard to justify in a comparative context.

The current economic context and achieving Value for Money

21. It is acknowledged that another theme emerging from representations was that the economic context meant that allowances should not be raised. Indeed there was also a minority view that Rushmoor Borough Council Members' Allowances scheme remains broadly fit for purpose - a view the Panel has rejected regarding the Basic Allowance and Leader's SRA as not being borne out by the evidence. Nonetheless, while accepting there should be some increase in these allowances in particular³, the Panel recognises that they should still represent value for money, particularly in light of the Council required to find further savings and the broader economic context generally.
22. Moreover, the Panel is the means by which periodic public scrutiny is brought to bear on Members' allowances and support. It is incumbent upon the Panel to ensure that its recommendations represent value for money.

Function of this Review - addressing the most glaring anomalies

23. Another theme emerging from the evidence was that it is clear local government is facing a period of change that will impact on Members roles and responsibilities. Indeed the vision for Rushmoor in light of the financial challenges facing the public sector is to become a more entrepreneurial council by taking advantage of the new economic freedoms all councils now have. This will undoubtedly affect the roles and responsibilities of all Members and the levels of accountability of particular post holders.
24. However, it is too early to ascertain how this will impact on Members roles with any certainty. The Panel felt it would be futile to try to undertake a fundamental review when it may well have to be done in the medium term when more experience of changes can be gained. Consequently, for this review the Panel has concentrated on making recommendations where it is clear the need is most pressing.

³ If the recommendations are accepted in full it would result in a maximum increase of 3.2% or £8,812 for 2016/17 (assuming all SRAs are paid) on the maximum payable in 2015/16.

Recommendations - the Basic Allowance

Benchmarking the Basic Allowance

25. In the Panel's Fourth Report (May 2012) it highlighted that the Rushmoor Basic Allowance was falling behind peers but there was not enough evidence to show it was becoming a financial barrier to being a Councillor.
26. Benchmarking shows that the current Rushmoor Basic Allowance (£4,750) has since fallen further behind peers; in the benchmarking group the mean Basic Allowance (2015/16) is £5,479 and a median of £5,505. The Rushmoor Borough Council Basic Allowance is not the lowest amongst peers; this is Hart (£3,855). However, as with all benchmarking, a degree of caution is required when looking at the raw figures. In Hart there are 24 SRAs available for 35 Councillors, whereas in Rushmoor there are 17 SRAs available for 39 Councillors. In Hart almost 70% of Members can increase their remuneration beyond the Basic Allowance.
27. A Basic Allowance that is less than that paid to peers is on its own not necessarily a sufficient reason to recommend an increase to the Basic Allowance but in the context whereby it has not been fundamentally revisited since 2001 and with three fewer Members since May 2012 and extra costs imposed on eligible Members through closure of the LGPS scheme in 2014 then the case for revision becomes more compelling.

Recalibrating the Basic Allowance in line with the 2006 Statutory Guidance

28. In arriving at recommendations, the Panel is required to pay regard to the 2006 Statutory Guidance⁴. In considering the Basic Allowance the Guidance (paragraph 67) states:

Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, councillors ought to be remunerated.

29. The Statutory Guidance (paragraphs 68-69) expands on the above statement by breaking it down to three variables - time, public service and worth of remunerated time. The Panel has recalibrated the Basic Allowance by bringing the three operative variables up to date.

Time to fulfil duties for which the Basic Allowance is paid

30. The Basic Allowance is primarily a time-based payment (see 2006 Statutory Guidance paragraph 10) to compensate for workload. Obviously Members work in different ways and have varying commitments and the time spent on council duties varies. Yet, the Basic Allowance is a flat rate allowance that

⁴ There was previous Statutory Guidance which the Panel paid regard to in recommending allowances prior to 2006. The 2006 edition reflects legislative changes mostly regarding the allowances for reimbursement of expenses and access to the Local Government Pension Scheme.

must be paid equally to all Members in the first instance so the time assessment is typically taken that which is deemed necessary to carry out all those duties for which the Basic Allowance is paid, including preparing for and attending meetings of the Council and its committees/panels (formal and informal), addressing constituents' concerns, representing and engaging with local communities, external appointments and other associated work including telephone calls, emails and meetings with Officers.

31. The time assessment of 11 hours for what is required to be an effective backbencher has been the same since 2001. The most up to date information available on what is a reasonable time expectation for which the Basic Allowance is paid comes from the 2013 Councillors Census. In data supplied to the Chair of the Panel from the Local Government Association, it shows that Councillors in district councils who held "no positions" of responsibility put in on average 14 hours per week "on council business"⁵. Furthermore, the anecdotal evidence suggests that 11 hours per week may well now be an underestimation. Some Members certainly felt that there were more demands on their time, particularly regarding contact with constituents who can now contact Members via mobile phones and email.
32. However, for the purposes of recalibrating the Basic Allowance in line with the 2006 Statutory Guidance the Panel has adopted 12.5 hours per week, or 650 hours per year, as the expected time input from Members in return for the Basic Allowance.
33. The Panel recognises that based on the representation received some Members who hold no positions do put in more than an average of 12.5 hours per week. However, the Panel has opted for 12.5 hours on the basis that the average includes a small number of councillors who undertake the role more or less full time as they have the time to supply, largely as a consequence of the majority of councillors not being in full time employment. Moreover, the majority of formal meetings in Rushmoor are in the evenings, even though it would be difficult to not undertake some council duties during 'normal' works. As such the figure of 12.5 hours per week is a more realistic expectation and represents a compromise between the historic figure of 11 hours and the Councillors Census figure of 14 hours per week.

The Public Service Discount (PSD)

34. The Public Service Discount (PSD) recognises the principle that not all of what a Councillor does should be remunerated – there is an element of public service. Typically, this voluntary principle is realised by discounting an element of the expected time inputs associated with the Basic Allowance. The normal range for this public service discount is between 35% - 40%, largely on the basis this is broadly in line with the proportion of time backbenchers spend dealing with constituents, surgeries and general enquiries from citizens. The historical PSD that has been applied in Rushmoor Borough is 40%; the Panel received no evidence to revise the historical figure. In fact the recent review by the Local Government Association showed that Rushmoor

⁵ Information based on National Census of Local Authority Councillors 2013 (LGA), breakdown of weekly hours by councillors by number of positions held and type of council, in email from S. Richards, LGA 1 October 2014.

Members place great emphasis on representing their constituents and communities so 40%, while being at the upper end of the typical range, is appropriate for Rushmoor.

35. Thus, of the expected time input of 650 hours per year 40% of that time, or 260 hours per year, are deemed to be public service and not paid, leaving 390 remunerated hours per year.

The rate for remuneration

36. Historically the rate for remuneration used in arriving at the Rushmoor Basic Allowance was based on the average gross wage for all full time employees in the South East as published each year by the ONS in the Annual Survey of Hours and Earnings (ASHE). This figure was used on the basis of data availability; it was the closest published rate of remuneration that most closely reflected the typical earnings of Members' constituents.
37. However, the Office of National Statistics now collects and publishes data on average earnings on a council by council basis in its Annual Survey of Hours & Earnings. In 2015 the median hourly salary (excluding overtime) for all full time employees resident in the Borough was £12.70⁶ as published by the Office of National Statistics (ONS) in its Annual Survey of Hourly Earnings (ASHE - 2015). Thus, the Panel has reset the rate for remuneration at £12.70 per hour.
38. The variables used in arriving at the Basic Allowance in accordance with the 2006 Statutory Guidance to take into account the most recent data available have been updated as follows:
- Time required to fulfil duties: 650 hours per week (12.5 hours per week)
 - Public Service Discount: 40% (260 hours)
 - Rate for Remuneration: £12.70 per hour
39. Following the methodology as set out in the 2006 Statutory Guidance with the updated variables produces the following recalibrated Basic Allowance:
- 650 annual hours minus 40% PSD multiplied by £12.70 per hour
= £4,953
40. The Panel is content that the recalibrated Basic Allowance is robust and defensible once the following has been taken into account:
- The Basic Allowance has not been updated to reflect most recent data available

⁶ See ASHE, 2015, Table 8.2a - Median weekly pay - excluding overtime - for full time employees resident in the Borough, which is £508. This figure was divided by a 40 hour working week to arrive at £12.70 per hour. The ONS advises that the median rather than the higher mean figure (£584.20 per week) is a better measure of the average due handful of very high earners which skews the statistical mean.

- The decrease in the number of Members from 42 to 39 since the last review
- That eligible Members have to incur extra costs for loss of entitlement to join the Local Government Pension Scheme and
- The recalibrated Basic Allowance is still less than the average/median paid in the benchmarking group

41. **The Panel recommends that the Basic Allowance for 2016/17 should be £4,953.**

The Information Technology & Telecommunications (ITT) Allowance

42. Currently all Members receive an annual Information Technology & Telecommunications (ITT) Allowance of £358 as a contribution to cover such council related costs incurred by Members such as

- Use of personal landline and mobile telephones
- Broadband
- IT hardware, peripherals and consumables
- Other ICT related costs

43. Benchmarking in this regard is difficult to undertake as many allowances schemes do not specify or clarify the level of direct support or otherwise their Members receive. Like Rushmoor, some specifically refer to an additional ICT related allowance e.g., New Forest £382. Lack of reference does not mean that Members receive no ICT support; there is no requirement to include such support in the Allowances schemes whether it is direct provision or monetary recompense. What is more certain is that such support is provided in some form to some extent.

44. There was some representation that argued it would be better for Rushmoor to provide a standard set of IT hardware and telecommunications services to Members so that they were all working on the same platforms. The Panel has rejected this argument; it would involve a substantial capital outlay and impose an administrative burden to maintain Council provided IT hardware and systems. The current approach has the advantages of being administratively efficient and cheaper than direct provision. It is acknowledged it is not a tax efficient approach but it is outweighed by the advantages of the current approach. Another view argued that it should simply be added to the Basic Allowance and abolished as a separate allowance. In the interests of transparency the Panel has rejected this view as in years to come it would inevitably get lost in the Basic Allowance and could lead to Members getting another ICT related allowance or support in the future. By keeping it separate it ensures that Members and the public are aware that there is a contribution to Council related ICT expenses incurred by Members which can more readily be revised in accordance with changing markets and developments in ICT.

45. **The Panel recommends that the current ICT Allowance of £358 per year is maintained and continues to be identified and paid separately.**

Special Responsibility Allowances - Leader of the Council

46. As with the 2012 Review the other glaring anomaly was the Leader's SRA, currently £12,900. Benchmarking shows the mean SRA for Leaders across all Hampshire District Councils and those adjacent to Rushmoor to be £15,940, with a mean total remuneration of £21,682 as against £17,650 for the Rushmoor Leader. Again it is not the lowest across the benchmarking group, which is Guildford where the Leader's SRA is £11,150 with a total of £16,068 - again the lowest across peer councils⁷.
47. The Leader's role has changed the most since it was last fully reviewed. The demands on the Leader's time and level of responsibility have increased. In particular, all executive powers, as with an elected Mayor, are now in the hands of the Leader, since the implementation of the relevant provisions of the Local Government and Public Involvement in Health Act 2007. This now means the Leader appoints the Cabinet and determines scope of delegated powers and the remits of cabinet members.
48. More recently, local government devolution and the proposed Combined Authority have put greater pressure on the Leader and will continue to do so. For instance the Leader has attended and will continue to attend sub regional meetings regardless of when and how devolution will eventually be implemented. The 'outward' facing aspect of the Leader's role has grown and shows no signs of abating.
49. It remains a role that does not require a full time commitment but regardless of the post holder it precludes full time employment in the normally accepted sense.
50. The current SRA was arrived at through a time based assessment. However, the Panel takes cognisance of the 2006 Statutory Guidance which states
- One way of calculating special responsibility allowances may be to take the agreed level of basic allowance and recommend a multiple of this allowance as an appropriate special responsibility allowance for either the elected mayor or the leader.
51. The factor approach as it is known has become increasingly popular over the years as it is transparent and readily understood. The Leaders mean SRA (£15,940) in the benchmarking group is a multiple of 2.91 of the mean Basic Allowance (£5,479) which is in line the typical differential. The Panel has opted to adopt 2.91 as the appropriate factor in arriving at the recommended SRA for the Leader, i.e., multiplying the recommended Basic Allowance (£4,593) by 2.91, which equates to £14,413. This still leaves the recommended SRA for the Leader less than the mean/median SRA paid to peers so will need to be examined again at the next review
52. **The Panel recommends a Leader's SRA of £14,413 for 2016/17.**

⁷ The SRAs paid to remunerated post holders in Guildford is a variable tableau as Members can and do receive more than 1 SRA. On data available it appears that the Leader of Guildford will always get at least 3 SRAs within the one of Group Leader being dependent on numbers in the majority group.

Deputy Leader

53. The current SRA (£8,975) for the Deputy Leader is, like most of the other main SRAs in Rushmoor in line with the benchmarking mean (£8,975) and median (£8,965) for Deputy Leaders. It is recognised that there may be an increasing need for the Deputy Leader to step in for the Leader as the latter takes on the outward facing challenges. Nonetheless, no evidence was received to suggest a revision was merited in the Deputy Leader's SRA at this stage.
54. **The Panel recommends that the SRA for the Deputy Leader for 2016/17 is maintained at £8,670.**

Other Cabinet Members (five)

55. The current SRA (£7,640) for the five other Cabinet Members is in line with peers, with the mean SRA in the benchmarking group being £7,463 and median £7,640. The Panel received no evidence to suggest this SRA requires revising.
56. **The Panel recommends that the SRA for the five other Cabinet Members for 2016/17 remains at £7,640.**

Chairman of the Development Management Committee

57. The current SRA (£5,160) for the Chairman of the Development Management Committee is in line with peers, with the mean SRA in the benchmarking group being £5,348 and median £5,006⁸. It is acknowledged that there has been an increase in delegations to Officers in this area and therefore a decline in applications going to the Development Management Committee but the Chairman of the Development Management Committee retains a high profile as it now deals primarily with contentious applications, which requires an able Chairman. Moreover, many delegated applications decided by Officers are still made in consultation with the Chairman. It also meets more often than other committees of the Council. The Panel received no evidence to suggest this SRA requires revising.
58. **The Panel recommends that the SRA for the Chairman of the Development Management Committee for 2016/17 remains at £5,160.**

Chairman of Licensing and General Purposes/Standards and Audit Committees

59. At present Licensing and General Purposes and Standards and Audit are two separate committees. The Chairman of the former committee receives an SRA of £5,160 and the Chairman of the latter receives an SRA of £1,030.

⁸ The mean and median figures have not been adjusted to take into account those councils that have area development management committees, which include East Hampshire, Test Valley and Waverley.

Following a review of responsibilities for the Standards and Audit Committee, the Council has decided that from the date of the Annual Meeting on 24 May 2016 to amalgamate these two committees. As such, it is difficult to benchmark such a post as there are no equivalents in the benchmarking group. The Panel has taken the view that the Chairman of the amalgamated committee should be paid on a par with the Chairman of the Development Management Committee.

60. **The Panel recommends that the SRA for the Chairman of the Licensing, General Purposes, Standards and Audit Committee for 2016/17 is £5,160.**

Members serving on four or more Licensing Sub Committees

61. Currently there is provision for a SRA of £413 paid to any Members serving on four or more Licensing Sub Committees (Alcohol and Entertainments) in one municipal year, excluding the Chairman of Licensing and General Purposes. This SRA was introduced after responsibility for liquor and gambling licenses was transferred from Magistrates to local authorities. In the initial period after the transfer the Licensing Sub Committees met frequently and the workload tended to fall disproportionately on those Members of the parent committee who were available during the day. However, since the last review there has been a noticeable drop off in the number of Sub Committee meetings with no Member being eligible for this SRA in the past two years. This is a common pattern and the main reason why Licensing Sub Committee Members are no longer typically remunerated elsewhere. In the benchmarking group only one other council, Eastleigh, pays such an SRA (£250 per Member).
62. Nonetheless, there was widespread support for this SRA lest the situation changed. Consequently, **the Panel recommends that the SRA for Members serving on four or more Licensing Sub Committees (Alcohol and Entertainments) in one municipal year, excluding the Chairman of the amalgamated Licensing and General Purposes and Standards and Audit Committees, is maintained at £413 for 2016/17.**

Chairmen of the Policy and Review Panels (five)

63. The current SRA (£3,100) for the Chairman of the five Policy and Review Panels is in line with peers, with the mean SRA in the benchmarking group being £3,668 and the median SRA £3,195 for equivalent posts. The Panel received no evidence to suggest this SRA requires revising.
64. **The Panel recommends that the SRA for the Chairmen of the five Policy and Review Panels for 2016/17 remains at £3,100.**

Chairmen of the Policy and Review Panel Task & Finish Working Groups

65. As the Panel was informed that much valuable work in overview and scrutiny was carried out by Policy and Review Panel Task & Finish Working Groups it explored the possibility of remunerating the Chairmen of these Working

Groups. However the Panel was unable to discern a visible pattern of chairing the Policy and Review Panel Task & Finish Working Groups and would need further evidence to make a positive recommendation. Consequently **the Panel is making no recommendation regarding an SRA for the Chairmen of the Policy and Review Panel Task & Finish Working Groups at this stage.** It will return to the issue during its next review.

Chairman of the Council

66. Currently the Chairman of the Council receives an SRA of £1,030. This SRA is paid specifically for chairing Council meetings, the Chairman also receives a Civic Allowance paid under the Local Government Act 1972 (sections 3.5 and 5.4) to meet the expenses of holding the office of Chairman and Vice Chairman of the Council. As such, the Civic Allowance is not remuneration. Not all councils in the benchmarking group pay an SRA to their Council Chairman (seven out of the 13 other councils in the benchmarking group pay such an SRA) with a mean SRA of £2,388 and median SRA £2,585.
67. The Panel introduced an SRA for the Chairman of the Council during its last review at a deliberately low level to see how the role has developed. While it remains a fact that the role of chairing the Council is focusing primarily on the Council meetings it is an important role that is clearly under paid compared to peers. The Panel has reset this SRA at 10% of the recommended SRA for the Leader of the Councils, which equates to £1,441.
68. **The Panel recommends that the SRA for the Chairmen of the Council for 2016/17 is £1,441.**

Leaders of Opposition Groups

69. Currently any Leader of an Opposition Group with at least four group members receives an SRA of £3,100, which at present only applies to the Labour Group Leader. Benchmarking shows a mean SRA of £4,203 and median SRA of £3,490 in the comparator group. However, this SRA is often set elsewhere in relation to group size and particular political circumstances. No evidence was received to suggest this SRA required revising.
70. **The Panel recommends that the SRA for Leaders of Opposition Groups with at least four Members for 2016/17 remains at £3,100. The Panel further recommends that the scheme is amended to clarify that where there is only one Opposition Group with less than four group Members that this SRA remains payable to ensure compliance with the 2003 Regulations (2.b.). The schedule of allowances published on the Council's website should also be amended to include this clarification.**

Maintaining the 1-SRA only rule

71. The 2003 Regulations do not prohibit the payment of multiple SRAs to Members. However, since SRAs are no longer insignificant, Councils typically have adopted the '1-SRA only' rule. In other words, regardless of the number

of remunerated posts individual Members may hold they can only be paid one SRA.

72. This cap on the payment of SRAs to Members means that posts are not simply sought out for financial reasons; i.e. collecting remunerated posts does not enhance remuneration. Indeed, the logic of the 1-SRA only rule is that it helps to spread such posts around more. It also makes for a more transparent allowances scheme and acts as a brake on the total paid out each year in SRAs, as in practice it will be highly unusual if all SRAs are paid out annually, resulting in a saving to the Council.
73. Rushmoor Borough Council has adopted a 1-SRA only rule and no evidence was received to change this position. **The Panel recommends that the Council maintains the 1-SRA only rule within the Rushmoor Borough Council Members' Allowances Scheme so that a Member cannot receive more than one SRA.**

Co-optees' Allowances

74. Currently there are two Co-optees, appointed under the Local Government Act 2000, on Standards and Audit Committee who each receive a Co-optees' Allowance of £475 per year. There may be no Co-optees after the Standards and Audit Committee is amalgamated with the Licensing and General Purposes Committee. Nonetheless, to future proof the scheme the Panel has decided to maintain provision for a Co-optees' Allowance at its current level lest the Council appoints Co-optees in the future.
75. **The Panel recommends that the Co-optees Allowance is maintained at £475 for £2016/17.**

The Allowances for expenses: Travel and Subsistence Allowances

76. The Panel received no evidence that the current scope, terms and conditions and maximum rates that are reimbursed under the Travel and Substance Allowances required revision.
77. **The Panel recommends that the conditions and maximum rates under the Travel and Subsistence Allowances are maintained.**

The Dependants' Carers' Allowance (DCA)

78. The Local Government Act 2000 explicitly clarifies the right of local authorities to pay a Dependants' Carers' Allowance (DCA), which Members can claim to assist in meeting costs for care of their dependants while on approved Council duties. It is an allowance explicitly designed to enable a wider range of candidates to stand for and remain on the Council. The Panel notes that the vast majority of councils now pay a DCA. The Panel supports the continuation of the DCA; it helps to reduce barriers to public service for traditionally underrepresented groups.

79. Currently, Rushmoor Borough Council pays a DCA to qualifying Members at differential rates based on the age of the Carer at rates that are now out of date. It is now good practice to distinguish between the differential costs of child and care for other dependants. Consequently, **the Panel recommends that the DCA distinguish between 2 different types of care as follows:**
- **Childcare:** capped at the national living wage of £7.20 per hour (April 2016)
 - **Other care:** capped at the hourly wage charged by Hampshire County Council Social Services for a carer.
80. **The Panel also recommends that the current terms and conditions by which the DCA is claimed be maintained.**

Confirmation of indexing

81. **The Panel confirms and recommends that the following allowances are indexed for 4 years from 2016/17 to 2019/20, the maximum period permitted by legislation, without reference to the Panel as follows:**
- **Basic Allowance, SRAs, Co-optees and ICT Allowances:** updated annually in line with the annual percentage pay increase given to Rushmoor Borough Council employees (and rounded to the nearest £) as agreed for each year by the National Joint Council for Local Government Staff.
 - **Out of Council Area Mileage Allowance:** indexed to the HMRC AMAP (Authorised Mileage Allowance Payments) approved mileage rates.
 - **Out of Council Area Other Travel and Subsistence:** reimbursement of actual costs taking into account the most cost effective means of transport and/or accommodation available and the convenience of use with the maximum rates indexed to the same periodic percentage increase that may be applied to Officer Travel and Subsistence Allowances.
 - **Dependants' Carers' Allowance:** the maximum hourly rates to be indexed to the government's national living wage applicable to the age of the carer (childcare) and Hampshire County Council's hourly rate for a Home Care Assistance (care of other dependants).

Implementation

82. **The Panel recommends that the new scheme of allowances based on the recommendations contained in this report is adopted from the date of the Annual Meeting on 24 May 2016.**

Appendix One

Members and Officers who met with the Panel

Members who met with the Panel

Cllr A. Crawford JP	Leader of Labour (Main) Opposition Group
Cllr B. Hurst	Chairman of Borough Services Policy & Review Panel
Cllr G. Lyon	Chairman of Development Control Committee
Cllr J. Marsh	Chairman of Standards & Audit Committee
Cllr P. Moyle	Leader of the Council and Conservative Group
Cllr M. Staplehurst	Leader of UKIP (Minority) Opposition Group
Cllr P. Taylor	Cabinet Member for Corporate Services
Cllr M. Tennant	Mayor of the Borough & Chairman of the Council

Written Submissions - Elected Members

Cllr K. Dibble	Labour Member
Cllr B. Hurst	Chairman of Borough Services Policy & Review Panel
Cllr B. Jones	Deputy Leader of Labour (Main) Opposition Group
Cllr A. Newell	Conservative Member
Cllr M. Smith	Chairman of Community Policy & Review Panel
Cllr L. Taylor	Labour Member

The Panel received written submissions from

- A Member who wished to remain anonymous
- The Labour Group

Officers who briefed the Panel

Andrew Lloyd:	Chief Executive
Andrew Colver:	Head of Democratic & Customer Services

Appendix Two

Information Received by the Panel

1. Panel Terms of Reference
2. A short briefing paper by Andrew Colver outlining changes in Council since previous review and challenges facing Rushmoor Borough Council
3. Rushmoor Borough Council Members' Allowances Scheme 2015/16
4. Statutory publication of Rushmoor Borough Council allowances and expenses paid to and claimed by Members, including sub-totals for each category 2014/15
5. Rushmoor Borough Council IRP Report May 2012 and accompanying covering report for Council 26 July 2012
6. Political Balance of the Council
7. Flow chart of Rushmoor Borough Council Committee Structure and decision making process
8. Role Descriptions for all Members and post holders
9. Rushmoor Borough Council Cabinet Members - Portfolio Responsibilities
10. Rushmoor Borough Council Constitution Part 2 - Article 6 remit and operation of Policy & Review Panels
11. Rushmoor Borough Council Constitution Part 2 - Section B Powers and Duties of the Committees
12. Rushmoor Borough Council Calendar of Meetings 2016-17
13. Number of Licensing Sub-Committee (Alcohol & Entertainments) meetings for municipal years 2010/11 - 2015/16 (to date) including membership and chairmen
14. Written submissions from Members
15. National Census of Local Authority Councillors 2013 (LGA), breakdown of weekly hours by councillors by number of positions held and type of council, in email from S. Richards, LGA 1 October 2014.
16. National Joint Council for Local Government Services, Local Government Pay Offer 2016/17 and 2017/18, 9 December 2015
17. Hard copies of allowances schemes (2015/16) from 13 Councils in benchmarking group
18. New Council Constitutions; Guidance on Regulation for Local Authority Allowances, 5 May 2006, Department of Communities and Local Government

19. The Local Authorities (Members' Allowances) (England) Regulations 2003 (Statutory Instrument 2003/1021)
20. Power point Presentation by IRP Chair on Reviewing Allowances: Issues, Patterns, Option and the Rushmoor Borough Model
21. Aide Memoir from Chair of IRP circulated to all Council Members to inform the basis of written submissions and interviews with Members
22. Comparative summary of allowances schemes from benchmarking councils - see appendix three below
23. ASHE, 2015, Table 8.2a - Median weekly pay - excluding overtime - for full time employees resident in Rushmoor Borough Council, Office of National Statistics

Appendix Three: Benchmarking Allowances for Rushmoor Borough Council

BM1 Rushmoor Benchmarking Group - Hants + Adjacent District Councils: BA + Exec + Scrutiny Committee SRAs (2015/16)										
Comparator Council	BA	Leader	Leader Total	Deputy Leader	Other Cabinet	Chair Main O&S	Chairs/ Leads O&S inc T&F WGs	O&S V/Chair	Chair Council	Council V/Chair
Basingstoke & Deane	£6,736	£22,460	£29,196	£14,964	£11,230		£5,615	£562		
East Hampshire	£5,200	£18,000	£23,200	£10,000	£6,000		£2,000		£3,000	
Eastleigh	£6,178	£19,761	£25,939	£9,139	£7,833		£2,610	£653		
Fareham	£6,566	£19,699	£26,265		£10,944	£7,661	£6,840	£821		
Gosport	£5,862	£13,620	£19,482		NA		£3,270			
Guildford*	£4,918	£11,150	£16,068	£5,173	£3,879		£3,232		£1,616	
Hart	£3,855	£15,642	£19,497	£6,213	£5,641		£2,045	£781	£3,048	£1,051
Havant	£5,430	£14,800	£20,230	£8,800	£8,140	£5,920	£3,157			
New Forest	£5,645	£19,209	£24,854		£9,605		£4,803			
Rushmoor	£4,750	£12,900	£17,650	£8,670	£7,640		£3,100		£1,030	
Surrey Heath	£4,962	£13,523	£18,485		£4,511		£3,609	£1,441	£4,700	£1,567
Test Valley	£6,452	£12,232	£18,684	£8,361	£7,794		£6,452	£1,291	£2,890	£568
Waverly	£4,573	£13,433	£18,006	£9,299	£6,200		£3,100	£1,550	£543	
Winchester	£5,580	£16,734	£22,314	£9,129	£7,605	£7,605	£1,521		£2,280	
Highest	£6,736	£22,460	£29,196	£14,964	£11,230	£7,661	£6,840	£1,550	£4,700	£1,567
Lowest	£3,855	£11,150	£16,068	£5,173	£3,879	£5,920	£1,521	£562	£543	£568
Mean	£5,479	£15,940	£21,419	£8,975	£7,463	£7,062	£3,668	£1,014	£2,388	£1,062
Median	£5,505	£15,221	£19,864	£8,965	£7,640	£7,605	£3,195	£821	£2,585	£1,051
SRA Ratio of Leader (mean)		2.9 X BA		56%	47%		23%		15%	
* SRA for Guildford Leader is estimate as Leader receives 3 SRAs; 1 SRA is variable. Leader received £15,811 in SRAs 2014/15										

BM2 Rushmoor Benchmarking Group - Hants & Adjacent DCs: Regulatory SRAs (2015/16)											
Comparator Council	Chair Planning	Planning V/Chair	Chair Area DCC	Chair Licensing &/or Regulatory	Licensing V/Chair	Licensing Members	Chair Standards	Chair HR &/or Appeals	HR or Appeals V/Chair	Chair Audit	Audit V/Chair
Basingstoke & Deane	£6,738	£674		£5,615	£562		£5,615	£5,615	£562	£5,615	£562
East Hampshire*	£6,000	£3,000	£2,000	£2,000		£250		£2,000		£2,000	
Eastleigh				£1,634							
Fareham	£9,850	£821		£6,840	£821			£821	£166	£4,104	
Gosport	£4,362			£4,362							
Guildford	£3,879			£3,232						£1,077	
Hart	£3,128	£1,042		£1,722	£781		£1,172	£1,722	£781	£1,722	£781
Havant*				£2,960				£1,973		£1,480	
New Forest	£5,330			£1,979						£1,979	
Rushmoor	£5,160			£5,160		£413 @ 4 hearings				£1,030	
Surrey Heath	£4,178	£2,089		£3,609	£1,804		£1,804				
Test Valley	£4,851	£981	£4,851	£3,884	£777			£2,117	£413		
Waverley	£3,100	£1,550	£3,100	£3,100	£1,160		£1,820			£2,320	£1,160
Winchester	£7,605	£2,280		£3,042			£1,521	£3,042		£2,280	
Highest	£9,850	£3,000	£4,851	£6,840	£1,804		£5,615	£5,615	£781	£5,615	£1,160
Lowest	£3,100	£674	£2,000	£1,634	£562		£1,172	£821	£166	£1,030	£562
Mean	£5,348	£1,555	£3,317	£3,510	£984		£2,386	£2,470	£481	£2,361	£834
Median	£5,006	£1,296	£3,100	£3,166	£801		£1,804	£2,000	£488	£1,990	£781
Mean Ratio Leader/SRA	34%			22%						15%	

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

BM3 Rushmoor Benchmarking Group: Hants & Adjacent DCs Group & Misc SRAs 2015/16					
Comparator Councils	Main Opposition Group Leader	Minor Opposition Group Leader	3rd Opposition Group Leader	Chairs Area or Local Forums	Other SRAs & Comments
Basingstoke & Deane	£6,738	£3,369	£3,369		Policy Chair £5,615, Independent Forum Co-ordinator £3,369
E. Hampshire	£3,000			£2,000	Policy Chair £2,000, Assistant Cabinet £3,000, DCC Members £250
Eastleigh	£5,222			£3,264	Area V/Chairs £816; Members receive more than 1 SRA
Fareham	£6,566	£3,290	£1,650		Chair & V/Chair of Housing £4,104/£821; Chair Community Action £4,104, Main O&S V/Chair £821; Shadow Execs £164 Nearly all Members get an SRA
Gosport	£2,384	£2,384			
Guildford	£3,879	£63 p/group Mbr			More than 1 SRA payable; SRA for Leader can be variable depending on group size
Hart	£2,045	£45 p/group Mbr	£45 p/group Mbr		£250 IT Allowance
Havant	£600	£600			
New Forest	£7,204	£1,022			Main Opposition Group Deputy Leader £1,022; IT Allowance £382
<i>Rushmoor</i>	<i>£3,100</i>	<i>£3,100</i>			<i>IT Allowance £358</i>
Surrey Heath	£4,511				
Test Valley	£2,890				SRAs for Area Planning Vice Chairs £981
Waverley	£3,100				SRAs for Area Planning Vice Chairs £1,550
Winchester	£7,605	£2,280		£1,521	Group Managers £1,521
Highest	£7,605	£3,369		£3,264	
Lowest	£600	£600		£1,521	
Mean	£4,203	£2,292		£2,262	
Median	£3,490	£2,384		£2,000	