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NOTICE OF MEETING

Meeting	Independent Remuneration Panel
Date and Time	Tuesday, 10th October, 2017 at 2.00 pm
Place	Denning Room, Ell Podium, The Castle, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Non-Pecuniary interest in a matter being considered at the meeting should consider whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

3. MINUTES OF THE PREVIOUS MEETING

To confirm the minutes of the previous meeting held on 14 October 2015.

4. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

5. COUNTY COUNCILLOR OR CO-OPTED MEMBER COMMENTS

To receive any comments from County Councillors or Co-opted Members which have been received and asked be drawn to the attention of the Independent Remuneration Panel.

6. AMENDMENTS TO THE MEMBERS' ALLOWANCES SCHEME FOR 2017/18

To consider amendments to the current Members' Allowances Scheme for 2017/18.

7. MEMBERS' ALLOWANCES SCHEME

To consider and make recommendations in respect of a Members' Allowances Scheme in accordance with Regulation 21 of the Local Authorities (Members Allowances) (England) Regulations 2003 to take effect from 1 April 2018.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

Agenda Item 3

AT A MEETING of the INDEPENDENT REMUNERATION PANEL of the County Council held at The Castle, Winchester on 14 October 2015

PRESENT:

Roger Farrall (Chairman), Julia Abbott and David Heck

Councillors Rob Humby and Mark Kemp-Gee (for Item 4 on the Agenda)

1. **APOLOGIES FOR ABSENCE**

Richard Kinch.

2. **DECLARATIONS OF INTEREST**

None.

3. **CHAIRMAN'S COMMUNICATIONS**

The Chairman of the Independent Remuneration Panel (IRP) welcomed everyone to the meeting and invited Barbara Beardwell, the Head of Governance to report on the recent changes to the County Council's governance arrangements.

4. **AMENDMENTS TO THE MEMBERS' ALLOWANCES SCHEME**

The Head of Governance confirmed that the IRP had been requested to undertake a piece of work comprising:

- (i) a review of the Special Responsibility Allowances (SRA) payable to the Chairman and Vice-Chairman of the former Hampshire Pension Fund Panel, in consequence of the decision of the County Council on 16 July 2015 to establish a joint Pension Fund Panel and Board in order to comply with new Regulations for Pension Fund governance; and
- (ii) to consider an SRA for the position of Assistant to the Executive – Rural Affairs Champion, which was introduced following the Annual General Meeting of the County Council on 22 May 2015.

5. **HAMPSHIRE PENSION FUND PANEL AND BOARD**

New Regulations for Pension Fund Governance were published on 28 January 2015. To comply with the new Regulations, Hampshire County Council as the Administering Authority for the Hampshire Pension Fund, applied to the Department for Communities and Local Government (DCLG) to form a Joint Pension Fund Panel and Board and approval was given by the Secretary of State on 3 June 2015. At a meeting of the full County Council

held on 16 July 2015, the recommendation of the Cabinet to establish a Joint Pension Fund Panel and Board (PFPB) was approved. The new PFPB is responsible for assisting in securing compliance with the new Regulations as well as the continuing responsibility for the administration and investment of the Fund, which will require greater weight to be given to scrutinising the administration and governance of the Pension Fund. The Hampshire Pension Fund currently stands at £5.1bn, has over 300 employers and some 150,000 members who have a keen interest in the performance of the Fund.

Councillor Mark Kemp-Gee, Chairman of the Pension Fund Panel and Board (PFPB) and Carolyn Williamson, Director of Corporate Resources were in attendance for this Agenda item and the Chairman invited both to speak. As background information, the Director of Corporate Resources drew attention to the Hampshire Pension Fund Annual Report which contains an opinion of the External Auditor, and provided comparator evidence on the role of the Chairman of the PFPB in relation to a Cabinet Member role.

The Chairman of the PFPB, the Chief Executive and the Director of Corporate Resources expanded on the challenges and complexities of the work of the PFPB. The IRP noted that the PFPB has a fiduciary responsibility and many investment issues must be taken account of requiring strong and robust leadership by the Chairman of the PFPB, including ensuring that Investment Managers are properly held to account when attending meetings to report on the performance of investment funds. It was reported that the Chairman of the PFPB drives the highest standards in regard to members of the PFPB undertaking the required training by applying strong focus on the maintenance of an Annual Training Plan to help build knowledge and expertise. It was also reported and noted by the IRP that the process of attaining the highest standards and strengthening the governance framework of the Hampshire Pension Fund had commenced a considerable amount of time ago. When the new Regulations were introduced, Hampshire was able to evidence this position which was instrumental in obtaining Secretary of State approval to move to new joint arrangements and leading the way in this regard.

In addition to taking evidence from Officers and by direct question and answer with the Chairman of the PFPB, the IRP also considered Members' allowances in other large authorities together with the level of responsibilities and scope of other roles in the Hampshire Members' Allowances Scheme. During the course of their deliberations, the IRP also considered the role of the Vice-Chairman of the PFPB. The IRP concluded that the role of the Chairman of the PFPB has, because of the revised governance requirements, acquired a more significant scrutiny element albeit it not as broad as that of the Chairman of a Select Committee. Conversely, the IRP was of the view that the role has significant executive content in developing and implementing an Investment Strategy, selecting advisers and placing investments to ensure best possible returns.

RESOLVED:

That the IRP recommends to the Employment in Hampshire County Council

Committee a revised Special Responsibility Allowance of £11,586 per annum for the role of Chairman of the Pension Fund Panel and Board and a revised Special Responsibility Allowance of £2,901 for the role of Vice-Chairman of the Pension Fund Panel and Board, to be backdated to 1 April 2015.

6. ASSISTANT TO THE EXECUTIVE – RURAL AFFAIRS CHAMPION

At a meeting of the full County Council on 22 May 2015, the Leader announced the introduction of the role of the Assistant to the Executive – Rural Affairs Champion, a significant role requiring much time and effort to embed it fully and to utilise its cross-cutting nature. The role holder is expected to take forward and develop the activities carried out by previous Executive Members. The purpose, scope, core elements and impacts/outcomes of this role are detailed in an Annex to these Minutes.

Councillor Rob Humby, the role holder was in attendance for this Agenda item and was invited to speak by the Chairman. Oral evidence was also provided by Andrew Smith, Chief Executive. It was reported that when the role holder is working with the Cabinet and other Members, the Chief Executive, Directors and other senior managers, they are expected to do so at the same level as an Executive Member. The role holder ensures that the many rural considerations throughout the county are taken into account by an Executive Member, at a decision day, and by the Cabinet when making decisions collectively. Attention was particularly drawn to the re-establishment of the Hampshire Rural Forum, the organisation of which would be managed centrally and a wide range of people and organisations working with rural communities would be invited to put forward their views.

Having fully considered the evidence received and by direct question and answer with the role holder, the IRP concluded that the role is currently developing and includes a complex mix of topics cutting across most of the County Council's departments, and Executive Member roles. During the course of its deliberations, the IRP recognised the expanding agenda of overlapping issues including rural housing, Broadband, transport and tackling rural isolation and health Issues. The IRP also recognised the importance of developing contacts and aiding co-ordination through the Rural Co-ordination Group and with partner organisations and agencies through the Hampshire Rural Forum.

RESOLVED:

That the IRP:

- (i) recommends to the Employment in Hampshire County Council Committee an initial SRA for the role of Assistant to the Executive - Rural Affairs Champion of £4,345, being 25 per cent of the Special Responsibility Allowance for an Executive Cabinet Member, to be backdated to the date of its introduction on 22 May 2015; and.

- (ii) recommends that the Special Responsibility Allowance for this role be revisited in 12 months to review how the role has developed.

ASSISTANT TO THE EXECUTIVE – RURAL AFFAIRS CHAMPION

Purpose and impact of the role:

Role – The role holder acts as the specialist Lead Member in advising the Leader and Cabinet on rural affairs and issues affecting Hampshire’s rural communities. The information provided in this note draws upon the activities of the three previous Executive Members fulfilling that lead role since 2009.

Purpose – Why is the role required?

Using government definitions approximately 75% of Hampshire’s land area is defined as rural and is home to approximately 25% of its population. The role holder is expected to operate strategically, in both an internal and external capacity, to ensure that key policy and service changes take due account of the needs and issues faced by this part of Hampshire and its communities. The role holder is also expected to consider joint funding for partner organisations and community generated initiatives that develop or trial innovative and value for money solutions to service delivery and rural business development in these areas. The role is seen as fulfilling an important advocacy function across all service areas and is the ‘go to’ Member for external groups and the public on rural issues.

Scope – How does the role sit within the County Council and at what level?

The role holder works across all key departments and very closely with Executive Member colleagues to ensure the best outcomes for rural communities. The role holder attends Cabinet and is expected to lead on reports and briefings at this level. The role holder is also expected to work directly at a senior level with partner organisations, including fellow local authorities, government agencies, specialist networks, and national politicians.

Impacts and outcomes - What does the role deliver?

The role has been pivotal in developing innovative, sustainable and community focused outcomes for both the County Council and the rural communities it serves. In support of this an annual budget of £200,000 has been allocated to support projects in rural areas and communities. Every project, whether large or small, requires match funding to ensure that the financial gearing is as strong as possible. This doubles or triples the impact of the allocated budget. The role holder oversees this budget and makes recommendations directly to the Leader for major project allocations. On the smaller projects allocations are delegated to officers working closely with the role holder and reported back retrospectively. The role holder also reports on performance and outcomes at Policy and Resources and Cabinet level.

Cross-cutting work and collaboration within the County Council - how does the role relate to Departmental activities and Executive Member portfolios?

The role holder works with, and across all key departments and has a close working relationship with senior officers and Executive Members. The role holder attends and oversees the Corporate Rural Co-ordination Group of senior officers and works very closely with Cabinet colleagues on rural policy and service issues. In some important areas the role holder has been appointed by the Leader or Executive Members to directly represent Hampshire County Council in this area of activity. Examples include the statutory Hampshire Countryside Access Forum, the Hampshire Association of Local Councils and the M3 Local Enterprise Partnership (LEP) rural group. The Leader and fellow Executive Members identify areas where the role holder can support them directly in delivering added value activity with examples including leading on support for rural business and the land-based sector, rural affordable housing, the impacts of rural isolation, and promotion of the corporate rural estate. The role fully supports and complements the role of fellow Cabinet colleagues at a senior level and brings a level of expertise and commitment targeted around rural issues. It is not a parallel set of activities but an integral and integrated part of tackling wider socio-economic issues as part of the County Council's overall effort to provide appropriate levels of support and commitment to its communities and businesses.

External partnership and inter-agency working - how does the role holder operate with partner organisations and agencies; with whom, at what level, and with what purpose?

The role holder is required to develop and maintain a very strong partnership footprint, which forms a critical part of the role, and currently includes:

- Borough and District Councils – regular Leader level contact to highlight ongoing joint approaches to issues such as rural business development, rural affordable housing, and specific joint projects. County wide role.
- National Park Authorities – at Chief Executive Officer and Chairman level to progress joint initiatives in support of the vitality of protected areas and their communities.
- Hampshire Association of Local Councils – representing the County Council on the Association, listening to the rural 'voice', using the network to target grant support and to work closely with them for the benefit of rural communities. A county wide group.
- Wessex Rural and Farming Network (RFN) – one of the 13 national groups representing key rural interests developed by a former role holder in response to a national initiative by the Department of Food and Rural Affairs (DEFRA). This provides direct access to government ministers and the opportunity to influence government policy and thinking in that Departmental area. A regional level group.

- Hampshire Rural Forum – chaired and led by the role holder and involving all the key external rural stakeholder and interest groups across the County convened to advise Hampshire County Council on the rural dimension of its activities.
- Hampshire Countryside Access Forum – acting as the County Council Highway Authority representative on this external statutory body which advises the County Council on its policy and role in managing its 3000 mile rights of way network as well as its Access Authority duties. A county wide body.
- Local Enterprise Partnership (LEP) – working directly with the rural committee of the M3 LEP to support and develop rural businesses and enterprise in partnership with senior public and private sector representatives. A pan regional group.

Core elements of the role:

Advocacy: from a Member perspective the role hinges upon championing the needs of rural communities within the County and the contribution of rural areas to the important characteristics that makes Hampshire such a special place. This has operated both at Cabinet level and externally as the focus underpinning the County Council's position and profile on key rural issues.

Corporate 'rural proofing': linked to that at a corporate level is the role of actively considering the approaches taken by the organisation in introducing and developing county-wide policies and service initiatives which will impact upon rural communities. This entails pragmatic and creative thinking in advance of policy implementation. The Corporate Rural Co-ordination Group forms a key part of this aspect of the role and this enables the organisation to ensure it is joined up across, and in support of, Departments trying to juggle some very difficult issues. This will continue to be important going forward.

Collaboration and partnership: are key elements of the role and probably the most critical ones going forward. The issues faced cut across the interests and remits of a wide range of organisations and consequently joint working and partnership approaches will be key. There are particular opportunities with the Districts, National Parks, and LEPS. Another important area is public health. Over recent years the approach has been to focus efforts where they are likely to be most successful and linked to the core priorities. Joint resource allocation and match funding will be critical in this area.

Innovation and responding to transformational change: As the organisation repositions itself in the light of further significant cuts in resources, albeit accompanied by an increase in demand and customer expectations, the need for new, innovative and radical approaches will grow. The rural budget has been used to support this and will no doubt need to continue to do so. It will also be a real challenge to keep rural communities on the same page with the scale of cuts being faced across all parts of Hampshire.

Budget allocation and prioritisation: requires a strong overview and substantial support to the Leader to advise, scrutinise and recommend in regard to the larger funding decisions as well as pump prime the small community level grants covered by the £200,000 budget.

Benefits arising from the role:

- Provision of direct reports and input to Cabinet colleagues on key rural initiatives, priorities, challenges and opportunities
- Fulfils a lead Member relationship role on rural issues with the Borough, District and Parish Councils e.g. regular meetings and discussion at Leader and Chief Officer level with partner organisations
- Contributes directly to and influences external bodies such as the Local Enterprise Partnerships, National Park Authorities, Rural and Farming Networks, Hampshire Rural Forum and NGOs and involves direct access to DEFRA and other Ministers on related issues
- Champions innovative approaches to service delivery issues in rural communities in support of Cabinet colleagues and the need for organisational change and service transformation e.g. village agents and social isolation projects/rural economic development
- Overseeing the work of the Corporate Rural Delivery Group and associated budget, including seeking the maximum financial gearing of major funding collaborations and the allocation of small grants to community initiatives e.g. small grants for local flooding projects and economic development initiatives
- Provision of an external and public "go to" lead Member role on all key rural issues as well as brokering the best possible response and profile for the County Council e.g. strong and positive public relations and communications profile on rural issues on behalf of the County Council