

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Employment in Hampshire County Council Committee
<b>Date:</b>	8 November 2022
<b>Title:</b>	Amendments to the Members' Allowances Scheme 2022/23
<b>Report From:</b>	Chief Executive

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### Purpose of this Report

1. The purpose of this report is for the EHCC Committee to consider a number of recommendations of the Independent Remuneration Panel (IRP) regarding amendment to the Members' Allowances Scheme 2022/23, and the adjustment of Members' Basic Allowances and SRAs for the year 2022/23.

### Recommendations

That the EHCC Committee:

2. Thank the IRP for their work in considering this matter, and their recommendations as referred to in this report.
3. Recommend to the County Council that approval be given to amendment of the Members' Allowances Scheme for 2022/23, if appropriate, which takes into account the recommendations of the IRP and the views of the EHCC Committee.
4. Recommend to the County Council that Members' Basic Allowances and SRAs be adjusted for the year 2022/23 by 3.56%.

### Executive Summary

5. The legislative framework governing the payment of Members' Allowances is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Members' Allowances Regulations').
6. Under the provisions of the Members' Allowances Regulations, the County Council is required each year to make a Members' Allowances Scheme.

The Members' Allowances Scheme needs to make provision for payment of Basic Allowances, Special Responsibility Allowances ("SRAs") Dependents' Carers' Allowances, Travelling and Subsistence Allowances, and Co-optees Allowances. Once a Members' Allowances Scheme is made for any year it may be amended during the year in question in accordance with the Members' Allowances Regulations. It is also possible under the Members' Allowances Regulations for any amendment to the Members' Allowances Scheme to be backdated to the beginning of the financial year in which any such amendment is made.

7. By virtue of the Members' Allowances Regulations, before the County Council can make or amend a Members' Allowances Scheme, it is required to have regard to recommendations made in relation to it by an Independent Remuneration Panel ("IRP"). In this regard the IRP met on 6 October 2022. Minutes of the IRP meeting, including the recommendations of the IRP are attached as Appendix 1 to this report. The report to the IRP meeting is attached at Appendix 2. Also attached to this report are documents (referred to in the IRP report as Appendix 1, Appendix 2a, Appendix 2b, 2c, 3a, 3b and 3c) considered at the IRP meeting. Lastly, attached at Appendix 2d is an assessment based on the present political makeup of the County Council of the impact of the IRP's recommendations regarding changes to the calculation of SRAs for Opposition Group Leaders and Opposition Group Spokespersons.

## **Contextual Information**

### **Amendment to Members' Allowances Scheme 2022/23**

#### **Recommendations of the Independent Remuneration Panel**

8. An SRA for the Deputy Leader equivalent to 70% of the Leader's SRA be added to the Members' Allowances Scheme, to be backdated to the 2022 County Council AGM (19 May 2022). That this be subject to review in 12 months' time.
9. The SRA for Opposition Group Leaders should amount to 55% of the SRA for the Leader of the Council, divided proportionally between all Opposition Groups (consisting of two Members or more) according to the number of seats held by that Group on the County Council. That this be backdated to the 2022 County Council AGM (19 May 2022), but any detrimental impact should not result in any SRA already paid in 2022/23 by the time of the County Council's decision being subject to repayment. That the SRA for Opposition Group Leaders be subject to review in 12 months' time.
10. That an SRA for Opposition Group Spokespersons should be paid to Opposition Group Spokespersons on each of the County Council's ordinary Select Committees and the Health and Adult Social Care Committee and the Regulatory Committee. The overall SRA payable should amount to 55% of the SRA for the Chairman of an ordinary Select

Committee, divided proportionally between all Opposition Groups represented on each respective Committee (following agreement of the proportionality table and appointments by the County Council). The SRA to be divided according to the number of seats on the County Council held by each Opposition Group represented on each respective Committee as referred to above. That this be backdated to the 2022 County Council AGM (19 May 2022), but any detrimental impact should not result in any SRA already paid in 2022/23 by the time of the County Council's decision being subject to repayment. That the Opposition Group Spokespersons SRA be subject to review in 12 months.

11. The SRA for the roles of Assistant to the Executive – Adult Services and Public Health and Assistant to the Executive – Children's Services and for the role of Chairman of the River Hamble Harbour Board continue at the previously agreed rates.

### **Amendment to Members Allowances Scheme 2022/23 - Consideration of IRP Recommendations**

#### **SRA - Deputy Leader of the County Council**

12. With regard to an SRA for the role of Deputy Leader, the Panel heard from the Monitoring Officer who confirmed that this was a statutory position to which one of the Executive Members must be appointed and who is automatically required to act in place of the Leader in the Leader's absence. The Panel also heard from the Chief Executive, who illustrated the Deputy Leader role and in particular the need to be up to speed on all topics in order to be able to represent the Leader through her own knowledge of the multi-faceted ways in which Leader and Deputy Leader work together, as well as through comparison with her own experience of being a Deputy Chief Executive. She noted that the role of Deputy Leader added vital capacity and support to the Leader in their role in charge of a large and complex organisation. The Leader of the Council also addressed the Panel, explaining that he had previously been Deputy Leader for three years, highlighting the importance of a seamless partnership between Deputy Leader and Leader.
13. The Panel recognised that the scale of the County Council brought significant pressures on the leadership and noted that although the Deputy Leader did not hold any specific additional decision-making responsibility, the role should be particularly recognised in terms of Executive responsibility and representing the County Council within the administrative area of the County Council and the wider community, and consequent reputational significance. It was noted that many other Authorities do pay a Deputy Leader SRA.
14. The IRP were in agreement that an SRA should be payable for the role of Deputy Leader of the County Council, equivalent to 70% of the Leader of the Council's SRA, and that this should be backdated to the May 2022 AGM (19 May 2022). The IRP were also in agreement that the SRA for this role should be reviewed in 12 months' time.

Full details of the role are contained at **Appendix 1** to this report.

### **SRA - Opposition Group Leader**

15. For the information of EHCC, the present formula for calculation of an SRA for the role of Opposition Group Leader was determined by the County Council in February 2012 following reference to the IRP. By virtue of application of the present formula, an SRA is payable according to a formula (currently £6474 plus £360 x number of Members in relevant Political Group (including the Leader of the relevant Political Group)) to an Opposition Group Leader in cases where a Political Group comprises four or more Members, and thus the actual amount payable varies according to numbers of Members of a Political Group. Representations were received from the Leaders of all Opposition Groups represented on the County Council. These are attached as Appendices 2a, 2b and 2c.
16. With regards to the review of the SRA for Opposition Group Leaders and Opposition Spokespersons, the Panel noted that these were longstanding areas of discussion and expressed their ambition of a solution that was inclusive, future proofed and evidence based. Considering the Group Leader SRA first, the Panel heard from the Liberal Democrat Deputy Leader and the Leaders of the Labour and Independent Groups. It was established that there was no formal Leader of the Opposition role – each Group was a separate opposition to the Administration. The Councillors highlighted a number of key elements of their respective roles and it was noted in particular that the Group Leader role was similar across the board in terms of needing to understand all areas of the Council and represent their Group. Furthermore, the differing sizes of the Group brought both challenges and advantages and could not be easily related to workload. A fundamental unfairness in having an arbitrary Group size as the cut off point for a Group Leader SRA was therefore identified.
17. Noting the content of the report and the representations received, the Panel expressed their view that an alternative calculation for an Opposition Group Leader SRA should be implemented that did not rely on a minimum Group size (it was accepted that a Group was two or more Members).
18. The IRP were in agreement that the SRA payable for the role of Opposition Group Leader on the County Council should be 55% of the SRA for the Leader of the Council, divided proportionally between all Opposition Groups (consisting of two Members or more) according to the number of seats held by that Group on the County Council. The IRP were of the view that any new / revised SRAs should be backdated to the May 2022 County Council AGM, but any detrimental impact should not result in any SRA already paid in 2022/23 by the time of any decision of the County Council to amend the present SRA for Opposition Group Leader being subject to repayment. The IRP were also of the view that the SRA for Opposition Group Leader be subject to review in 12 months.

## **SRA - Opposition Group Spokesperson**

19. For the information of EHCC, the present formula for calculation of an SRA for the role of Opposition Group Spokesperson was determined by the County Council in February 2014 following reference to the IRP. By virtue of application of the present formula, an SRA is payable according to a formula (20% of the SRA for an Executive Member (currently £3,781.20) plus £110 x number of Members in the relevant Political Group (including the relevant Political Group Leader)) to an Opposition Group Spokesperson in cases where a Political Group comprises eight or more Members, and thus the actual amount payable varies according to numbers of Members of a Political Group.
20. With regard to the SRA for Opposition Group Spokespersons, the Panel noted that the current threshold for receipt of an SRA was based on a Group size of eight Members or more. Comparison with other Authorities had revealed that many did not pay an SRA for this role, but it was confirmed that it was permissible to do so in accordance with the legislation. The Panel received representations from the Leaders of each of the Opposition Groups who highlighted that in a similar way to the Group Leaders, the Opposition Spokespersons all carried out a similar function regardless of their Group size and therefore a similar unfairness in the Group size criteria existed. These are contained at Appendices 2a, 2b and 2c, as referred to above.
21. The Panel were keen to introduce a solution that would remove the need for a minimum Group size, however recognised that small Groups did not always qualify for a seat on all of the six Committees for which an Opposition Spokespersons allowance was payable, due to the application of proportionality rules. Having considered a number of alternatives, it was proposed that to resolve this, and to mirror the solution recommended for Opposition Group Leaders a formula could be applied for future calculation of an Opposition Group Spokesperson SRA.
22. The IRP accordingly were of the view that an SRA for Opposition Group Spokespersons should be paid to Opposition Group Spokespersons on each of the County Council's ordinary Select Committees and the Health and Adult Social Care Committee and the Regulatory Committee. The overall SRA payable should amount to 55% of the SRA for the Chairman of an ordinary Select Committee, divided proportionally between all Opposition Groups represented on each respective Committee (following agreement of the proportionality table and appointments by the County Council). The SRA to be divided according to the number of seats on the County Council held by each Opposition Group represented on each respective Committee as referred to above. The IRP were of the view that any new / revised SRAs should be backdated to the May 2022 County Council AGM, but any detrimental impact should not result in any SRA already paid in 2022/23 by the time of any decision of the County Council to amend the present SRA for Opposition Group Spokesperson being

subject to repayment. The IRP were also of the view that the SRA for Opposition Group Spokesperson be subject to review in 12 months.

23. Attached at Appendix 2d is an assessment based on the present political makeup of the County Council of the impact of the IRP's recommendations regarding changes to the calculation of SRAs for Opposition Group Leaders and Opposition Group Spokespersons.

#### **SRA – Assistant to the Executive – Adult Services and Public Health and Children's Services**

#### **SRA – Chairman of the River Hamble Harbour Board**

24. By way of background for the information of EHCC, the present SRAs for these roles was determined by the County Council at its meeting in February 2022, following the recommendations of the IRP and EHCC. The present SRAs for the two roles of Assistant to the Executive – Adult Services and Public Health and Assistant to the Executive – Children's Services are calculated at 25% of the SRA for an Executive Member. The present SRA for the role of Chairman of the River Hamble Harbour Board is calculated at 25% of the SRA of a Chairman of a Select Committee. The IRP when making its recommendations on these three roles at its meeting in September 2021, had recommended that all three SRAs be reviewed in 12 months' time as the roles developed. In agreeing the SRAs at the County Council meeting in February 2022, the County Council had accepted the IRP's recommendations that the roles should be reviewed.
25. The IRP reviewed the SRAs for the roles of Assistant to the Executive – Adult Services and Public Health and Assistant to the Executive – Children's Services and Chairman of the River Hamble Harbour Board. The Panel acknowledged the supporting evidence relating to each of these roles attached to the report and agreed that they were in line with the size, scale and range of responsibilities of the County Council as originally envisaged. The IRP were therefore in agreement that the SRA for the roles of Assistant to the Executive – Adult Services and Public Health and Assistant to the Executive – Children's Services and Chairman of the River Hamble Harbour Board continue at the previously agreed rates.

Attached as Appendices 3a, 3b and 3c are details of the roles as considered by the IRP.

#### **Adjustment of Basic Allowances and SRAs 2022/23**

26. As Members of EHCC will be aware, the County Council agreed at its meeting on 17 February 2022 that Basic Allowances and SRAs should be adjusted for the years 2022/23, 2023/24, 2024/25 and 2025/26 by reference to the Pay Award for staff (if any) for Senior Managers at Grade H. Unusually, for 2022/23 the Pay Award for staff below Grade H is a flat rate award of £1,925. If the flat rate Pay Award is applied to Grade H, this

equates to an increase of 3.56%, and it is therefore considered that this is the appropriate adjustment of Basic Allowances and SRAs for the year 2022/23.

### **Next Steps**

27. Amendment of the Members' Allowances Scheme for 2022/23, if appropriate, recommended by the EHCC Committee will be considered by the County Council at its meeting on 24 November 2022.

## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

(a) No equality impacts have been identified arising from this Report

## CORPORATE OR LEGAL INFORMATION:

### Links to the Strategic Plan

**This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because of the requirements of the Members' Allowances Regulations.**

### Other Significant Links

#### Links to previous Member decisions:

<u>Title</u>	<u>Date</u>
Amendments to the Members' Allowances Scheme 2013/14 and Members' Allowances Scheme 2014/15, 2015/16, 2016/17 and 2017/18 – County Council	20 February 2014
Amendments to the Members' Allowances Scheme 2013/14 and Members' Allowances Scheme 2014/15, 2015/16, 2016/17 and 2017/18 – County Council	22 February 2018
Amendment to the Members' Allowances Scheme 2021/22, and Members' Allowances Scheme for 2022/23, 2023/24, 2024/25 And 2025/26	17 February 2022

#### Direct links to specific legislation or Government Directives

<u>Title</u>	<u>Date</u>
Local Government and Housing Act	1989
The Local Authorities (Members' Allowances) (England) Regulations	2003

### Section 100 D - Local Government Act 1972 - background documents

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

#### Document

#### Location

None