

REPORT OF THE
Employment in Hampshire County Council Committee
PART I

1. MEMBERS' ALLOWANCES SCHEME 2017/18, 2018/19, 2019/20, 2020/21 AND 2021/22

- 1.1. The legislative framework governing the payment of Members' Allowances is set out in the Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) ('the Members' Allowances Regulations').
- 1.2. Under the provisions of the Members' Allowances Regulations the County Council is required to make a Scheme ('Members' Allowances Scheme') for the payment of Members' Allowances each year. A Members' Allowances Scheme needs to make provision for Basic Allowances, Special Responsibility Allowances ('SRA's'), Dependents' Carers' Allowances, Travelling and Subsistence Allowances and Co-optees Allowances.
- 1.3. 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.
- 1.4. 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 10 October 2017.
- 1.5. The Employment in Hampshire County Council ('EHCC') Committee met on 22 November 2017 to consider the recommendations of the IRP, and to make recommendations to the County Council in respect of amendment (if appropriate) to the Members' Allowances Scheme for 2017/18, and a Members' Allowances Scheme for 2018/19, 2019/20, 2020/21, and 2021/22. A copy of the Report considered by the EHCC Committee is attached as an Annex to this Report. Minutes of the IRP Meeting are attached at Appendix 1 to the EHCC Report.

2. Amendment to Members' Allowances Scheme 2017/18

Recommendations of the Independent Remuneration Panel in relation to amendment of the Members' Allowances Scheme for 2017/18 are set out below, together with the EHCC Committee's views and conclusions on them:

2.1. Assistant to the Executive – Rural Affairs Champion

Recommendation of the IRP

That the SRA for the position of Assistant to the Executive – Rural Affairs

Champion remain at £4,345 per annum being 25 per cent of an Executive Cabinet Member SRA, to be reviewed in 12 months' time.

Consideration of IRP Recommendation

The view of the EHCC Committee was that the work load of this role was increasing, and the view was expressed that the position carried more responsibility than that reflected in the functional areas of the current SRA. Whilst accepting the recommendation of the IRP that there should be no change to the SRA currently payable, the EHCC Committee also supported the recommendation of the IRP that the SRA should be further reviewed in 12 months' time.

2.2. SRA Minority Group Spokespersons

Recommendation of the IRP

That the SRA for Minority Group Spokespersons remains in line with the formula adopted by the full Council on 20 February 2014, subject to review in the future and on submission of a business case evidencing how the role has developed.

Consideration of IRP Recommendation

The view of the EHCC Committee was that the formula approved by the County Council in 2014 for calculation of the SRA for Minority Group Spokespersons was specifically aimed to future proof SRA's payable in respect of these positions, whatever the political composition of the County Council, and size of minority political groups. It was noted that since the 2017 election, Minority Group Spokespersons SRA's payable to the largest minority political group had increased in accordance with the formula to reflect the increase in members of the political group. The EHCC Committee were in support of the IRP recommendation.

3. Members' Allowance Scheme 2018/19, 2019/20, 2020/21, and 2021/22

Recommendations of the Independent Remuneration Panel in relation to the Members' Allowances Scheme for 2018/19, 2019/20, 2020/21, and 2021/22 are set out below, together with the EHCC Committee's views and conclusions on them:

3.1. Annual Adjustment of Allowances

Recommendation of the IRP

That the Basic Allowance and Special Responsibility Allowances payable to Members be increased in line with any nationally agreed pay award for staff (if any) from 1 April 2018, and thereafter annually for 2019/20, 2020/21 and 2021/22.

Consideration of IRP Recommendation

The EHCC Committee noted that under the provisions of the Members' Allowances Regulations it was possible to make a Members' Allowances Scheme providing for an annual adjustment of Members' Allowances for up to

four years. The EHCC Committee supported the view of the IRP as to an annual adjustment of Members' Allowances by reference to the pay award for staff (if any), and were of the view that the appropriate adjustment should be by reference to any award for Senior Managers at Grade H.

3.2. SRA Co-opted Scheme Member Representatives – Hampshire Pension Fund Panel and Board

Recommendation of the IRP

That an SRA of £675 per annum be payable to the Co-opted Scheme Member Representatives of the Hampshire Pension Fund Panel and Board from 1 April 2018.

Consideration of IRP Recommendation

The EHCC Committee were in support of the recommendation of the IRP, noting that with a joint Pension Fund Panel and Board the workload both in terms of time commitment and complexity had increased. It was also noted that should the recommendation of the IRP be accepted this would provide consistency in SRA's payable to Co-opted non elected members of the County Council.

3.3. Childcare and Dependents' Carers' Allowances

Recommendation of the IRP

That reimbursement reflecting the actual cost incurred be payable in regard to Childcare and Dependents' Carers' Allowances in accordance with the County Council's payment processes.

Consideration of IRP Recommendation

The EHCC Committee considered the recommendation of the IRP regarding Childcare and Dependents' Carers' Allowances, and in particular the need to balance responsibility for public money with a fair level of support to enable elected Members to carry out their duties and the provision of an efficient means for reclaiming costs. A range of options were discussed, including paying the actual cost of care, linking allowances with the National Living Wage, and linking allowances with the rate paid by the County Council for similar care provision. The EHCC Committee were of the view that it was desirable that allowances should be reflective of actual costs, while retaining an open, efficient and transparent process, and be in line with governance arrangements relating to the County Council's payment processes. It was determined that Officers should review the position and advise on an appropriate methodology to achieve the aim of the EHCC Committee. It was also agreed that different amounts for Childcare and Dependents' Carers' Allowances could apply.

With this in mind and subsequent to the EHCC Committee meeting, further work has been done. A possible option might be to link Dependents' Carers' Allowances to the County Council's Care at Home rate, currently £17.30 per hour. This could also apply in respect of dependent care for children with

special needs. A possible option for a revised Childcare Allowance might be to link this to the National Living Wage for age 25 years and over, £7.83 per hour from 1 April 2018.

Should this approach be agreed, both Childcare and Dependents' Carers' Allowances would be 'future proofed', as any increase in respect of changes to these rates would automatically be payable. This approach would also meet the wish of the EHCC Committee in retaining an efficient and transparent approach, and be in line with the County Council's payment processes.

4. Other Allowances

A number of other allowances are currently payable to certain Members and other persons holding positions required by law under legislation not part of the Members' Allowances Regulations. These include allowances for the Chairman and Vice-Chairman of the County Council, Independent Persons required in consequence of the provisions of the Localism Act 2011, and members of the IRP. In considering the future adjustment of allowances payable under the Members' Allowances Scheme, Members of the EHCC Committee considered that it would be sensible for consistency to adopt a similar approach in respect of any future adjustment of allowances payable under other legislation.

5. Claims and Payments of Members' Allowances

As Members are aware, following the elections in 2017 all expenses are required to be claimed via ESS Lite for Councillors within three calendar months of the date the expenses are incurred. It was reported to the EHCC Committee that some confusion had arisen as the procedure for ESS Lite, which is also applicable to staff, requires that claims must be submitted within three months including the month any expenses are incurred. Members of the EHCC Committee considered it sensible that for clarity the procedure for Members and Officers should be one and the same, and that the time limit for claiming Members' expenses via ESS Lite should be three months calculated from the beginning of the month in which the expenses are incurred.

RECOMMENDATIONS

That the County Council, taking into account the recommendations of the IRP:

- a) Approves that there should be no change to the Members' Allowances Scheme for 2017/18.
- b) Approves a Members' Allowances Scheme for the years 2018/19, 2019/20, 2020/21, and 2021/22, whereby Basic Allowances and Special Responsibility Allowances payable to Members are adjusted from 1 April 2018, and thereafter annually, in line with the pay award (if any) for Senior Managers at Grade H.
- c) Approves a Special Responsibility Allowance in the sum of £675 per annum to Co-opted Scheme Member Representatives of the Hampshire Pension Fund

Panel and Board from 1 April 2018.

- d) Approves that from 1 April 2018 the Dependents' Carers Allowance (including dependent care for children with special needs) be that payable at the County Council's Care at Home rate, and may be amended from time to time as required.
- e) Approves a revised Childcare Allowance from 1 April 2018 at the National Living Wage hourly amount for age 25 years and over.
- f) Approves that from 1 April 2018 any other allowances payable, including allowances for the Chairman and Vice-Chairman of the County Council and other persons holding positions required by law under legislation not part of the Members' Allowances Scheme, be henceforth adjusted by the same adjustment of allowances (if any) payable under the Members' Allowances Scheme.
- g) Approves that the time limit for claiming Members' Expenses via ESS Lite should be three months, calculated from the beginning of the month in which the expenses are incurred.