

**Title of meeting:** Governance & Audit & Standards Committee  
Council

**Date of meeting:** 27 October 2017  
14 November 2017

**Subject:** Review of Members' Allowance Scheme

**Report by:** Chief Executive

**Wards affected:** n/a

**Key decision:** No

**Full Council decision:** Yes

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**1. Purpose of report**

The purpose of the report is

- (1) To seek approval for the review process from the Governance & Audit & Standards Committee
- (2) To recommend to Council the findings of the Independent Remuneration Panel for adoption into the Members' Allowances Scheme.

**2. Recommendations**

**To Governance & Audit & Standards Committee**

**That it approves the review process.**

**To Council (via Governance & Audit & Standards Committee)**

**That**

- (1) No change should be made to any of the various elements comprising the Members Allowances Scheme ("the Scheme") except that,**
  - (a) the Lord Mayor and Deputy Lord Mayor are to be included in the Scheme with a Special Responsibility Allowance (SRA) multiple of Basic Allowance of 0.7 and 0.1 respectively making the positions index-linked and if the recommendation is agreed by Council, to be effective from the date of that Council Meeting.**

Note 1 This is not an additional allowance for the Lord Mayor and Deputy Lord Mayor but is simply to bring their allowance formally within the scheme and particularly within the Index Linked regime rather than be permanently fixed as they have been. The proposed changes result in broadly similar

allowances currently paid for these positions outside of the scheme which are - Lord Mayor allowance is currently £7,100 and the Deputy Lord Mayor is currently £923.

Note 2 A footnote would be added to the relevant section as follows "Recognising the roles of Lord Mayor and Deputy Lord Mayor are greater than is required normally of a councillor, as per The Local Authorities (Members' Allowances) (England) Regulations 2003, Special Responsibility Allowances"

- (b) a note would be added to the Scheme to clarify that any remuneration received through representing the Council on any Outside Body sits outside the Scheme.**
- (c) the wording in the section on Carers' Allowance is amended to link it to the "Portsmouth Living Wage" (currently £7.85 per hour)**
- (d) the wording of the first paragraph of section B (1) Travelling Allowances is amended to add the following wording**  
**That "Travel claims to a destination outside the City must be from a member's Portsmouth registered address, (or from the Council's Civic Offices if that is the member's starting point and is nearer to the destination). Claims from another location can be made if it is nearer to the destination outside the City."**
- (2) Notwithstanding the index-linked arrangement, a further review of the Scheme be carried out to be completed in time for the start of the 2021-2022 financial year to meet the 4-yearly review requirement.**
- (3) The existing Independent Review Panel be retained as a Standing Panel in the interim period, whose members (with a quorum of three for any decision to be taken) can consider issues that arise in connection with the Scheme before the next review, either by email or in meetings.**

The Scheme incorporating the above revisions is attached as Appendix 1 for approval

- (4) The members of the Independent Review Panel be thanked for their time and attention in undertaking the Review.**

### **3. Background**

- 3.1. Under the Local Authorities (Members Allowances) (England) Regulations 2003, Portsmouth City Council is required to have an Independent Remuneration Panel to review the Members' Allowance Scheme. The last review took place in 2012.
- 3.2. PCC Members' Allowances are index-linked, which means that instead of an annual review (which the Regulations would otherwise require) the Council must review the scheme every 4 years.
- 3.3. In order to ensure impartiality, an Independent Remuneration Panel (IRP) was formed to review the Portsmouth City Council Members' Allowances Scheme.
- 3.4. The 2017 Independent Remuneration Panel comprised representatives of the local Business, Public, Voluntary and Community sectors:

- Walter Cha - retired former Senior Partner at Blake Lapthorn (Panel Chair)
- Mark Waldron - The News
- Sue Dovey - Action Hampshire
- Brian Johnson - BAE Systems
- Bernie Topham- University of Portsmouth
- Michael Dyer - Verisona
- Keith Greenfield - Wightlink Ferries

- 3.5 The Panel first met to agree the review process on 23 February 2017 and decided to adopt a two stage approach to the review. The Panel decided initially to recommend to Council to continue to apply to Members' Allowances the index-linked arrangement with Portsmouth City Council staff pay awards. This was recommended to Council via the Governance & Audit & Standards Committee and was adopted at the Full Council meeting on 21 March 2017.
- 3.6 The second stage was to send a request to Councillors seeking their views on any aspects of the scheme including the Basic Allowance, Special Responsibility Allowances, Carers' Allowances and Travel Allowances, which they would like the Panel to consider as part of the scheme. The responses received (four) were circulated in advance of the second meeting (along with a general information pack) to all Panel members with other comparative information that had been requested.
- 3.7. At a meeting held on 3 October 2017, (meeting notes attached at Appendix 2), the Panel discussed the responses received to assist in agreeing further recommendations (via Governance & Audit & Standards Committee) to a future Full Council meeting and to express their own views on the Scheme. Officers were also in attendance to answer any queries that the Panel had.

#### **4. Reasons for recommendations**

- 4.1 The Regulations state that where an authority has regards to an index for the purpose of an annual adjustment of allowances it must not rely on the index for longer than a period of 4 years before seeking a further recommendation from the Independent Remuneration Panel established in respect of the authority on the application of an index to its scheme.
- 4.2. The Council is required by law to consult with the Independent Remuneration Panel, prior to making any decision to replace, amend or not implement the existing scheme of allowances. The recommendations of the Independent Remuneration Panel are therefore set out above.

#### **5. Equality impact assessment**

An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010

**6. Legal implications**

Under the Local Authorities (Members Allowances) (England) Regulations 2003, Portsmouth City Council is required to have an Independent Remuneration Panel to review the Members' Allowance Scheme. This review is compliant with these regulations.

**7. Director of Finance's comments**

The recommendations contained in the report can be met from the existing budget

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Signed by:

**Appendices:**

Appendix 1 - Members' Allowance Scheme 2017/18 (proposed revised version)

Appendix 2 - Notes from the Independent Remuneration Panel Meeting held on 3 October 2017

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Information Pack for Panel	Directorate of Community and Consultation

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Signed by:



PORTSMOUTH CITY COUNCIL  
MEMBERS' ALLOWANCES SCHEME  
2017/18

## (A) PAYMENT OF ALLOWANCES

### (1) Basic Allowance

The annual basic allowance is £10,740, payable to each member in monthly instalments, in arrears.

### (2) Special Responsibility Allowances

The following are specified as the positions carrying special responsibilities, for which special responsibility allowances are payable. Payments will be made in monthly instalments, in arrears.

(A Member may claim only one such allowance, which, in the case of ambiguity, is the special responsibility allowance with the highest value):-

Role	Multiple of basic allowance	SRA
Leader	1.8	£19,333
Cabinet member	0.7	£7,518
Leader of the main opposition group	0.6	£6,444
Other group leader (5 or more members)	0.3	£3,222
Other group leader (2 to 4 members)	0.2	£2,148
Chair of a regulatory committee	0.35	£3,759
Chair of a scrutiny panel	0.25	£2,686
Shadow Cabinet Spokesperson	0.1	£1,075
*Lord Mayor	0.7	£7,518
*Deputy Lord Mayor	0.1	£1075

The basic allowance is index linked to any annual pay adjustment that may be awarded to local government officers, and does not constitute an amendment to this scheme.

\* Recognising the roles of Lord Mayor and Deputy Lord Mayor are greater than is required normally of a councillor, as per The Local Authorities (Members' Allowances) (England) Regulations 2003, Special Responsibility Allowances.

### (3) Technical Additions

- (i) Members' allowances will be annually adjusted in accordance with average percentage pay award figures applicable to local government employees from 1<sup>st</sup> April of each year (or from whenever implemented).
- (ii) When the term of office for a member begins or ends other than at the beginning or end of a financial year, entitlement shall be to payment of part of the basic or special responsibility allowance as is proportionate to the number of days served as a member/holding the relevant special responsibility allowance in that year.

- (iii) A member may elect to forgo an allowance or any part of an allowance by giving notice of such intention in writing to the Payroll and Pensions Manager.

## (B) TRAVEL RATES

Travel allowance is claimable by members at the same rate as officers, and these will be updated in line with such rates. The private motor vehicle business mileage rate will be updated when HM Revenue and Customs review the rate.

### (1) Travelling Allowance

Travelling expenses cannot be claimed for business journeys within the city as these expenses are covered by the members' basic allowance with the exception of late night taxis (see note below). **Travel claims to a destination outside the City must be from a member's Portsmouth registered address, (or from the Council's Civic Offices if that is the member's starting point and is nearer to the destination). Claims from another location can be made if it is nearer to the destination outside the City.**

Where expenditure is necessarily incurred on travelling away from the city on formally approved city council business within the United Kingdom a member may claim an allowance not exceeding the following:-

**Public Transport** - The ordinary fare

**Rail** - Standard (non first class) fare

<b>Private Motor Vehicles</b>	45p per mile (Max of 60 miles per claim and 10,000 miles per year) 25p per mile there after
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<b>Private Motor Cycles</b>	24p per mile
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<b>Bicycles</b>	20p per mile
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**Taxis** - (1) When engaged on city council business within the city after 11 pm and where no alternative means of transport are reasonably available, Members may claim the actual expenditure incurred.

(2) When engaged on city council business out of the city and in cases of urgency or where no public transport is reasonably available, Members may claim the amount of the actual fare and any reasonable gratuity.

NB(1): Receipts for expenditure incurred where taxis or public transport must be retained and submitted with the members' claim. In addition a VAT receipt for at least **50%** of the total claim is required when claiming motor vehicle/cycle mileage.

NB(2): A claim for travel under this scheme shall be made within TWO MONTHS of the date of the meeting.

### (2) Subsistence Allowance

Subsistence is not claimable.

## (C) CARERS' ALLOWANCE

This allowance is to enable a carer to be employed to look after a child or an elderly or disabled person who normally resides with a councillor and cannot be left alone. This allowance can only be claimed when the Member concerned is required to attend approved meetings as per Appendix 1.

A carers' allowance is not applicable for party group meetings, canvassing or electioneering, but is available for ward work, advice centres and civic functions. Reimbursement for meetings is allowed beyond the actual duration of the meeting, given that care must usually be booked in advance for a fixed period. The allowance will not be payable to the claimant's own household.

The rate of reimbursement for carers' allowance is equivalent to the **Portsmouth Living Wage – currently £7.85** per hour. This is per person cared for and is unlimited. Records of any payments made must be submitted to the local democracy manager. No payment under this scheme can be made without receipts.

NB(1): Any claim for carers' allowances made under this scheme shall be made within **TWO MONTHS** of the meeting.

**(D) IT ALLOWANCE**

An IT allowance is not claimable.

**(E) ATTENDANCE ALLOWANCES**

In accordance with Section 99(4) of the Local Government Act 2000, attendance allowances are no longer payable.

**(F) PRIVATE TELEPHONES/PRIVATE TELEPHONE USAGE**

The costs involved in the installation of a telephone line at a member's private address, the costs of council related calls made from such a telephone and the monthly line rental for the telephone are not claimable.

**(G) MOBILE PHONE ALLOWANCE**

All Members are entitled to the use of a council-owned mobile phone, and may receive reimbursement for all council business calls made.

**(H) LOCAL GOVERNMENT PENSION SCHEME (LGPS)**

In accordance with The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, members can no longer join the LGPS.

**(I) OUTSIDE BODIES APPOINTMENTS**

**Any remuneration received through representing the Council on any Outside Body sits outside the Scheme.**

**(J) DATE OF THE NEXT INDEPENDENT REMUNERATION PANEL REVIEW OF MEMBERS' ALLOWANCES**

Annual adjustments are in place but **notwithstanding the index-linked arrangement, a further review of the Scheme be carried out to be completed in time for the start of the 2021-2022 financial year to meet the 4-yearly review requirement.**



**APPENDIX 1**  
**(to the Members' Allowances Scheme)**

**APPROVED DUTIES FOR THE PURPOSES OF CLAIMING CARERS' & TRAVEL ALLOWANCES**

- a meeting of the Cabinet (including informal Cabinet meetings)
- a meeting of a committee of the Cabinet
- a meeting of the authority
- a meeting of a committee, panel or sub-committee of the authority
- a meeting of some other body to which the authority make appointments or nominations, or
- a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
- ward advice centres, and other ward work
- civic functions
- a meeting which has both been authorised by the authority, a committee, or sub-committee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups)
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

**Appendix 2**  
**Independent Remuneration Panel (IRP)**

**Meeting Notes**

Tuesday 3 October 2017

A meeting of the Independent Remuneration Panel (IRP) was held at 4pm on Tuesday 3 October 2017 at the Civic Offices, Portsmouth.

**Panel:-**

Ms Bernie Topham (Chief Operating Officer - Portsmouth University)  
Keith Greenfield (CEO of Wightlink Ferries)  
Walter Cha (Retired Solicitor)  
Mark Waldron - (Editor, The News)  
Brian Johnson - BAE Systems

**Officers:-**

Michael Lawther, Deputy Chief Executive, City Solicitor and Monitoring Officer  
Stewart Agland, Local Democracy Manager  
Sue Page, Finance Manager  
Vicki Plytas, Senior Local Democracy Officer  
Peter Smith-Parkyn, Local Democracy Assistant

**Apologies**

Apologies for absence were received on behalf of Sue Dovey and Michael Dyer.

**Interests**

There were no declarations of interest.

**Summary of discussion**

Walter Cha was appointed Chair.

Stewart Agland advised that PCC Members' Allowances are index-linked, which means that instead of an annual review (which the Regulations would otherwise require) the Council must review the scheme every 4 years.

He summarised the process so far advising that the Panel had adopted a two stage approach to the review and this was the second stage. At the last meeting, the Panel had agreed to send a request to Councillors seeking their views on any aspects of the scheme including the Basic Allowance, Special Responsibility Allowances, Carers' Allowances and Travel Allowances, which they would like the Panel to consider as part of the scheme.

The Panel meeting today was to discuss the responses received following that request to assist in agreeing further recommendations (via Governance & Audit & Standards Committee) to a future Full Council meeting and to express their own views on the Scheme. He said that the responses had been circulated to the panel in advance of the meeting.

The Chair suggested that the Panel should consider the responses received from Councillors first and then move on to a more general discussion to enable them to decide on their recommendations.

### Consideration of Responses Received

- Of the numerous Outside Bodies on which elected members were represented, only 2 currently provided remuneration. This was paid by the Outside Body concerned and was not a payment made by the Council. One was a Cabinet appointment (involving 2 members being appointed (Portsmouth Dockyard Naval Trust) and one was a Full Council appointment, involving one member being appointed (Hampshire Fire and Rescue Service). The City Solicitor said that there was no discretion in respect of these positions as to which Council body appointed the elected members and that payment was made in respect of work done by those elected members. Following debate it was agreed that a note would be added to the scheme to clarify that payment from Outside Bodies was outside the Members Allowances Scheme.
- It was confirmed that paying elected members an attendance allowance was not permissible under national legislation and this was already noted in the scheme. There were many opinions on what made a good councillor and there was much more involved in the role than attending council meetings although obviously that was important.
- The Panel was advised that reducing the Special Responsibility Allowances (as suggested in one response) was technically an option, but the money saved would be subject to political will and could not be ear-marked for a specific purpose.
- The Panel noted those responses from members that their allowances should not be increased at this time, other than in line with the index-linked amount.

A general discussion then took place during which it was confirmed that overall the roles of elected members had remained much the same as when the last review took place. The City Solicitor said that the level of remuneration should encourage participation in local democracy and the Panel should take this into account during their deliberations.

In response to queries, it was confirmed

- That the current formula was introduced in 2008/9
- That members had not indicated any discontent about their allowance
- That the current governance arrangements had only varied slightly since the last review.
- That the allowances paid to members of PCC were about average as compared with similar authorities

Members of the Panel discussed all the information before them and noted the answers to their queries. They concluded that the current members' allowance scheme should remain in its existing form, except for the recommended changes listed below

- the anomaly whereby the Lord Mayor and Deputy Lord Mayor were not included in the scheme should be corrected and that if this recommendation were accepted, this should take effect from the date of the Council Meeting where this was agreed. The allowance should be 0.7 for the Lord Mayor and 0.1 for the Deputy Lord Mayor and index-linking should apply as for other elected members

- With regard to the Carers' Allowance, the City Solicitor said he would arrange for the wording to be amended to refer to the Portsmouth Living Wage (currently £7.85)
- With regard to the Travel Allowance, it was confirmed that this was the same as applied to officers. The Panel said they wanted the wording to make clear that regarding travel expenses to a venue outside the City, the amount should be calculated using the distance either from a Member's Portsmouth registered address (or from the Council's Civic Offices if that is the Member's starting point and it is closer to the destination). Claims from another destination can be made if it is nearer to the destination outside the City.

**RECOMMENDATIONS to Council (via Governance & Audit & Standards Committee)**  
**That**

- (1) No change should be made to any of the various elements comprising the Members Allowances Scheme ("the Scheme") attached as Appendix 1 except that,**
  - (a) the Lord Mayor and Deputy Lord Mayor are to be included in the Scheme with a Special Responsibility Allowance (SRA) multiple of Basic Allowance of 0.7 and 0.1 respectively making the positions index-linked and if the recommendation is agreed by Council, to be effective from the date of that Council Meeting. A footnote would be added to the relevant section as follows "Recognising the roles of Lord Mayor and Deputy Lord Mayor are greater than is required normally of a councillor, as per The Local Authorities (Members' Allowances) (England) Regulations 2003, Special Responsibility Allowances"**
  - (b) a note would be added to the Scheme to clarify that any remuneration received through representing the Council on any Outside Body sits outside the Scheme.**
  - (c) the wording in the section on Carers' Allowance is amended to link it to the "Portsmouth Living Wage" (currently £7.85 per hour)**
  - (d) the wording of the first paragraph of section B (1) Travelling Allowances is amended to add the following wording**  

**That "Travel claims to a destination outside the City must be from a member's Portsmouth registered address, (or from the Council's Civic Offices if that is the member's starting point and is nearer to the destination). Claims from another location can be made if it is nearer to the destination outside the City."**
- (2) That notwithstanding the index-linked arrangement, a further review of the Scheme be carried out to be completed in time for the start of the 2021-2022 financial year to meet the 4-yearly review requirement.**
- (3) That the existing Independent Review Panel be retained as a Standing Panel in the interim period, whose members (with a quorum of three for any decision to be taken) can consider issues that arise in connection with the Scheme before the next review, either by email or in meetings.**

The meeting ended at 5.20pm.