

INDEPENDENT REMUNERATION PANEL

Review

of

Hampshire County Council

Members' Allowances Scheme

October 2008

Peter Humphreys (Chair)

Bob Humble

Mitch Quick

The Hampshire County Council Independent Remuneration Panel (IRP) consists of three members. They are:

Peter Humphreys (Chair) is the Vice-Chair and Transport Co-ordinator of Oakley and Wootton Voluntary Community Care Association. He was formerly the Chief Executive of the Universities and Colleges Employers Association, Personnel Director of the National Rivers Authority and Stanton PLC, a Consultant to the Police Information Technology Organisation and a member of the Independent Review of Higher Education Pay and Conditions.

Bob Humble is a retired business executive. He was formerly Vice-President for Global Business Development with an Australian multinational company in the industrial services and logistics industry. He has many years' experience in setting up and running businesses in various parts of the world.

Mitch Quick is Chairman of the Independent Remuneration Panel of the Hampshire Fire and Rescue Authority. He is also a freelance consultant on human resources. He was formerly Head of Personnel Services, British Gas, and also Director and Company Secretary of Southampton Industrial Therapy Organisation.

Declaration of interests

All three members of the IRP are entitled to receive an allowance from Hampshire County Council (HCC) under the council's Members' Allowances Scheme, currently (2008/09) of £217 per annum.

This allowance is not paid to Mr Humphreys or Mr Humble, both of whom have waived their entitlement to it. Mr Quick is in receipt of the IRP allowance.

The members of the IRP decided at the outset of their work on this review that they would not consider or take into account the allowance paid to the IRP or make any recommendation to the council concerning it.

All three members of the IRP are entitled to claim travelling expenses, including car mileage, when undertaking IRP duties approved by HCC. Mr Humphreys and Mr Humble do not claim any travelling expenses. Mr Quick claims mileage for travelling from his home to HCC offices in Winchester at the rate determined by HCC for members.

Mr Quick is not entitled to any allowance in respect of his Chairmanship of the Independent Remuneration Panel of the Hampshire Fire and Rescue Authority (HFRA). He is entitled to and does claim mileage for attendance at HFRA meetings at the rate determined by HFRA.

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Foreword

This review is about the Members' Allowances Scheme of Hampshire County Council (HCC). We have taken a wide rather than a narrow view and looked at the remuneration this group of 78 county councillors receive in total from Hampshire council tax payers. In our public consultation the appropriateness and lack of transparency of the multiple allowances paid to HCC councillors from Hampshire council tax payers was the largest single issue.

We know our findings and recommendations will not be popular with some councillors. Overdue reform seldom is palatable. If our recommendations were implemented as a package in full, they would save Hampshire council tax payers £108,000 in 2009/10 and produce a system of allowances that is in our judgement both fairer and represents better value for money. The opportunity also exists for HCC to save a further £32,000 by freezing allowances for 2008/09 rather than accepting an annual increase already agreed by HCC in principle, but not implemented due to the delay in concluding the national local government pay award.

In carrying out our review I am grateful to those Hampshire council tax payers and councillors who expressed their views. I am also grateful for the help and support of Hampshire County Council personnel: Jo Blackwell, Alison Clements, Cllr Adrian Collett, Karin Fancett, Kirsty Gunner, David Hinxman, Bevis Ingram, Martin James, Cllr Jo Kelly, Keith Kerlake, Karen Mann, David Mayes, Pauline Nelson, Mark Osborn, Jeff Pattison, David Pryke, Claire Rampton, Martin Shinn, Jill Slater, Andrew Smith and Cllr Ken Thornber.

I am indebted to my two colleagues on the IRP for their work, for their insightfulness and for their support and encouragement.

We have used our best endeavours to ensure the accuracy of the data in this report. This has been difficult, as we have had to rely on our own resources to research numerous websites, and found many problems with the quality and availability of data, in addition to any errors we may have made.

The responsibility for the views and recommendations expressed in this report is solely and entirely that of the Independent Remuneration Panel, as is the responsibility for any errors and omissions.

Peter Humphreys

October 2008

Summary and recommendations

Background

1. Councillors are entirely free to set their own remuneration and expenses within a framework of government regulations. There are two 'checks and balances'. The first is that the annual earnings of councillors from public sources must be published. The second is that first and second tier councils have to appoint an Independent Remuneration Panel (IRP) of at least three people who are independent of the council to make recommendations on the Members' Allowances Scheme. Under the regulations the council is free to adopt, ignore or modify such recommendations.

2. The present system of allowances for Hampshire County Council (HCC) was introduced from October 2001 with the change in method of management of the council, from management by committee to executive management with a Leader and Executive Members forming a Cabinet. The then new Members' Allowances Scheme was introduced following HCC appointing an Independent Panel in January 2000, who reported in July 2000. HCC adopted the recommendations of the report, which led to a very considerable increase in members' allowances with total additional payments of £600,000 per annum. A total of almost £4 million extra has been paid to date to councillors since the adoption of the new scheme.

3. One of the aims of the new Members' Allowances Scheme was to make those elected more representative of the population of Hampshire. The July 2000 report also proposed measures to enhance accountability of councillors for their work. It recommended specific measures be adopted through which councillors could properly be held to account. The adoption of these specific measures was a condition of the payment of the higher allowances.

4. In 2001 an IRP was established under the regulations and HCC is obliged to refer all changes in members' allowances to it. Since 2001 HCC has introduced a number of new allowances, modified existing ones and, with the exception of one year, have annually indexed all allowances. One allowance has been introduced unilaterally by HCC, acting without reference to the IRP, in breach of the regulations.

5. The current IRP decided in November 2007 to undertake the present complete review of the Members' Allowances Scheme during the course of 2008. We have undertaken extensive research, including a public and councillor consultation process. We have also evaluated the councillors' roles using a combination of the Hay role profile evaluation methodology and a paired comparison exercise.

This review has shown that:

6. HCC is a top performing authority in general terms (four star according to the Audit Commission). However, its Members' Allowances Scheme for paying its councillors is inappropriate and inadequate and is at odds with HCC's overall performance. Its Members' Allowances Scheme does not represent value for money for the Hampshire council tax payer.

7. **There has been a major breach of public trust by councillors.** When the new scheme of allowances was proposed there were specific requirements to enhance accountability and transparency of its (HCC's) system of allowances. The Independent Panel report of July 2000 on which the new allowances system was based said:

'We propose the adoption of our scheme should be dependent upon the adoption and implementation of mechanisms through which councillors can properly be held to account...'

We believe that enhanced remuneration must involve sharpened accountability. We therefore propose that the annual publication should show not only the remuneration paid, but also report, in accordance with some appropriate indicators, on the contribution made by each councillor to the effective operation of the council. The indicators should capture not just the qualities reflected in the old attendance allowance, such as the committee meetings each councillor could have attended and the actual rate of attendance, but also activities such as representing the council or the community on other bodies, and a note of other activities in the community. Councillors should submit their own statement of activities, and their own assessment of their effectiveness, as part of this annual publication. This could provide a sensible basis for informing electors what they are getting from their councillor.'

8. The report was accepted on behalf of the HCC by its Standards and Procedures Sub-committee in July 2000. £4 million extra has been paid to councillors under the new scheme since it was introduced from October 2001. No measures have been taken to introduce the enhanced accountability and transparency arrangements upon which the new enhanced allowances were conditional. **This is indefensible.**

9. There are significant opportunities available to achieve savings for the Hampshire council tax payer through the reform of the Members' Allowances Scheme, amounting to approximately £108,000 in 2009/10. There are further opportunities for savings through deferring the planned increase in allowances for 2008/09. This increase, effective from 1 April 2008, has already been accepted in principle, but not implemented, due to the delay in the settlement of the national local government pay award.

10. One of the purposes of the enhanced allowances system introduced in 2001 was to remove barriers to participation in the council and to make HCC councillors more representative of the population they serve. **This has failed.** The council is no more representative of the population of Hampshire now than it was in 2000. Women are significantly under-represented and the councillors are demonstrably older than the Hampshire population and entirely white. The IRP is of the opinion that further injections of money into the Members' Allowances Scheme alone will not alter this situation.

11. **HCC has on one occasion operated in breach of the statutory regulations concerning members' allowances.** The 2003 regulations stipulate that before HCC amend the scheme of allowances in any way it should be referred to its IRP for a recommendation. In 2006 HCC introduced two allowances for the opposition spokesmen on the Regulatory Committee without any reference to the IRP. HCC is fully entitled to accept, reject or modify any recommendation from the IRP. The requirement is that it seeks a recommendation, which it did not in these cases.

12. **Over 70% of HCC councillors are full-time local politicians.** They are receiving multiple allowances funded by Hampshire council tax payers either through the patronage of HCC with the Fire and Police authorities or through being elected to Hampshire district or borough councils. This brings these councillors on average in excess of £20,000 per annum from council tax payers. None of this is transparent. In 2000, 24 HCC councillors were on more than one council. It is now 41.

13. All the major HCC meetings are in 'normal' office hours in the week. This will suit the majority who are full-time local politicians. It discriminates against any councillor trying to maintain full or part-time employment outside the world of councillors in Hampshire.

14. There are 13 different IRPs operating in the county of Hampshire. This is perfectly legal but is nonsensical. IRPs are meant to be a 'check and balance' within the structure of local government. Operating 13 different IRPs in Hampshire is a distortion

of democratic processes and only serves to make what is happening with councillor allowances within the county less transparent.

15. The overall pattern of allowances received by HCC councillors from council tax payers is illogical and indefensible. The Leader of HCC, who by any measure carries the greatest burden of public responsibility in the county, is only the seventh highest paid of HCC councillors.

16. Within HCC many of the allowances paid to councillors cannot be justified.

17. A few allowances were too low.

18. Councillors are enjoying mileage allowances significantly higher (53.5p per mile) than the HMRC tax-free rate (40p per mile) as used by many statutory and voluntary organisations in the county.

19. The HCC's Members' Allowances Scheme rates and arrangements for childcare and care of dependants are too low and are unfair and discriminatory.

20. HCC councillors have a vested interest in the maintenance of the existing local government structure in the county as it provides them with the opportunity to earn multiple allowances.

The IRP recommends the following:

21. That HCC immediately adopts for 2008/09 an annual reporting system for its councillors for them to be properly held to account, as provided for and agreed in 2000. We have some suggested improvements to this proposition. The statements of activity and performance should be made available on Hantsweb. (R36)

22. That HCC gives priority to achieving the £108,000 of savings in 2009/10 and the reform of its Members' Allowances Scheme as identified in this review (R41). These recommended savings come from reform of the allowances scheme itself of £59,000, the saving of a Cabinet post (£16,747 – R39) and a freezing of allowances in 2009/10 (approximately £32,000 – R40). We also recommend, if it has the opportunity, that HCC considers freezing all allowances for 2008/09, rather than implementing an annual indexation increase effective from 1 April 2008 that has already been accepted in principle, but not implemented, due to the delay in the settlement of the national local government pay award. (R42)

23. That the actual overall earnings of councillors from Hampshire council tax payers and other public sources, and how they are made up, be made transparent, both by HCC and each of the allowance-paying authorities in the county. This should be done through the means of an up to date comprehensive spreadsheet on Hantsweb and made available to other allowance-paying public bodies. (R35)

24. That HCC uses the provision in the legislation for authorities to be able to share an IRP to create a single IRP for Hampshire county, to include the Fire and Rescue Authority, and to invite all 11 district/borough councils to use this instead of their own separate IRPs. This would be a first step for a rational system of allowances to emerge in the county that would represent value for money to Hampshire council tax payers. (R2)

That the following Special Responsibility Allowances (SRAs) be discontinued as soon as possible and no later than the end of April 2009 as they cannot be justified:

25. Vice-Chairmen of the Policy and Resources, Safe and Healthy People, Children and Young People, Environment and Transportation, Culture and Communities scrutiny committees and the Regulatory Committee. The SRA of each of these is £2797. (R12)

26. The SRA of £5583 for the spokesman of the principal opposition party on the Regulatory Committee. (R14)
27. All the SRAs for party spokesmen of the minority opposition (Labour) party. There are three in payment of £2797 each. (R15)
28. The SRAs for the Chairman and Vice-Chairman of the Governance Committee, which in practice means the cessation of the Vice-Chairman's SRA of £1397. (R18) Also the SRA for the Vice-Chairman of the Standards Committee of £1397 (R12).
29. The SRA of £2797 for the e-champion. (R20)

That the following SRAs be reduced to be more representative of the responsibilities undertaken by the roles:

30. For the Chairman of HCC from £16,824 to £11,165 and for the Vice-Chairman of HCC from £8616 to £2233. (R22)
31. With the change of the chairmanship of the Standards Committee from a councillor to an independent member, the Chairman's SRA change from £5583 to £1950. (R16)

That the following SRAs remain unchanged:

32. The basic allowance paid to all councillors of £11,565 (R4).
33. The SRAs for the leaders of the two opposition parties and the formula used to calculate them. These allowances are presently £14,275 (Liberal Democrats) and £6847 (Labour) (R8).
34. The SRA of £11,165 for the chairmen of the five scrutiny committees: Policy and Resources, Safe and Healthy People, Children and Young People, Environment and Transportation, and Culture and Communities (R9).
35. The SRA of £13,908 for the Chairman of the Health Overview and Scrutiny Committee (R10).
36. The SRA of £5583 for the spokesmen of the principal opposition party (R13).
37. The basic allowance of £650 for independent members of the Standards Committee and that this is reviewed in two years' time (R17).
38. The basic allowance of £650 for co-opted members of the Children and Young People Select Committee (R30).
39. There continues to be no SRA for the chairmen of the Hampshire Action Teams (HATs), but that this is reviewed if HATs are continued beyond their present trial period (R19).
40. The IRP has no recommendation to make concerning the amount of their own SRA of £217. The IRP recommends that this is a matter to be considered by HCC (R31).

That the following SRAs be increased or introduced:

41. The SRA for the Leader of the Council be increased from £27,913 to £34,695 on a phased basis over four years by £1696 per annum (R5).
42. The Deputy Leader's role continues to be combined with that of a Cabinet role (R6) and the SRA for all Cabinet Members be increased from £16,747 to £20,817 on a phased basis over four years by £1018 per annum (R7).
43. The SRA for the Chairman of the Regulatory Committee be increased from £11,165 to £13,908 (R11).

44. A SRA of £5583 be introduced for the Chairman of the River Hamble Harbour Board.(R21).

The following further recommendations are contained in the report:

45. That HCC adheres to the statutory regulations concerning the operation of its Members' Allowances Scheme (R1).

46. That HCC continues with its two long-established policies of not paying a member more than one (the higher) SRA and that in total SRAs will not be paid to more than 50% of members (R24). Also that these policies be applied equally to the Chairman and Vice-Chairman of HCC (R23).

47. That HCC carries out an annual equal pay audit of its councillors and publishes the results with the annual statement of allowances paid under the Members' Allowances Scheme (R3).

48. That elected members aged under 70 continue to be eligible for membership of the HCC Local Government Pension Scheme in respect of both the basic allowance and any SRA in payment (R25). That the amount of total contributions of both HCC and councillors be published annually (R26).

49. That the HMRC tax-free mileage rates be used for all mileage paid under the HCC Members' Allowances Scheme (R27 and R28).

50. That for childcare and dependent carer's allowances HCC continues to reimburse only on the production of receipts, but that the hourly rate be moved to £6 an hour from £4.10 for childcare and the adult dependent carer's rate of £8.00 is retained. Further, that there is no annual cash maximum ceiling on these allowances. The IRP also considers a different approach is warranted where there is a child with special needs or someone lives in an area with no group childcare facilities available or the timing of the council meeting including travelling time does not fit in with group childcare facilities. In these circumstances, HCC officials should have the power and the discretion to pay higher amounts than the maximums recommended here, on the production of receipts (R29).

51. That the IRP and HCC continue to consider uprating the Members' Allowances Scheme on a year-by-year basis rather than opting for automatic indexation (R32).

52. That a further comprehensive review of the Members' Allowances Scheme is carried out no later than five years' time if one has not already been carried out for some other reason (R33).

53. That after every election of a councillor, new or being re-elected, they should be given a copy of the backbench councillor job description and asked to sign a receipt and an undertaking to carry out the duties as described with due diligence and competence. This should be made known publicly (R34).

54. That if a councillor, other than through illness, fails to attend a minimum of 70% of the meetings they are scheduled to attend, then any HCC allowances they are entitled to receive should be reduced by 50% (R37).

55. That if a HCC councillor does not live in the county their allowances should be suspended completely (R38).

Introduction and background

Hampshire as a county

56. Hampshire is the third largest shire county in England with a population of 1.27 million residents in over 528,000 households. It is also one of the largest counties by area, covering some 3680 square kilometres. It is diverse, with a mix of significant urban and extensive rural areas.

57. It has extensive transport links. The county is well served by frequent and relatively fast rail services to London, placing much of the county within commuting distance of the capital. The major trunk roads (A3 and A303) and the M3 and M27 motorways provide ready access through and across the county.

58. Hampshire is classified by the Office for National Statistics as being in the south-east of England, which ranks as the second highest earning region in the UK after London itself.

59. Having so many people working in London and being in the second highest paid region in the country has a knock-on effect into house prices and the county is a part of the highest priced housing area of the UK outside central London. While the county can generally be described as being prosperous there are pockets of deprivation, particularly in the south of the county.

The structure of local democracy and local public authorities

60. Hampshire is a shire county that has three levels of local government: the county council, district/borough councils and parish councils. It means that every citizen of the county has five elected representatives: their member of Westminster Parliament, their European member of parliament, their county councillor, their district/borough councillor and their parish councillor. In addition to the county council there are 11 district/borough councils and 256 parish councils.

61. Other than Southampton and Portsmouth, there are no unitary authorities in the county. However, there is a distinct commonality of representation between the county council and the district/borough councils. Of the 78 Hampshire County Council (HCC) councillors prior to the 1 May 2008 elections, 40 were also members of district/borough councils. After the elections this became 41. An unknown number are also members of parish councils.

62. In addition to this there are a number of other public bodies in the county where democratic accountability is more indirect. Unlike the USA, where the Sheriff, the Judge and the Fire Chief can be directly elected, there is no direct democratic link to the Police, Fire or Justice services in the UK. There are statutory authorities for the Police and Fire, and these are largely or entirely controlled by local authorities. In Hampshire there is the Hampshire Fire and Rescue Authority (part of HCC until 1997), which has 25 members, 19 of whom are appointed HCC councillors and 3 each appointed by the unitary authorities of Southampton and Portsmouth. The Hampshire Police Authority has 15 members, of whom 9 are local authority appointments, 6 of which are made by HCC.

63. HCC also appoints county councillors to numerous other bodies, including the New Forest National Park Authority.

64. With the exception of parish councils all the above bodies pay allowances to their members.

65. It is not the role of the Independent Remuneration Panel (IRP) to pass comment on the complexity or advisability of these structures (see Figure 1). It is relevant to point out that these structures bring with them public service time commitments that go

beyond the councillors' HCC direct commitments and bring with them associated allowances.

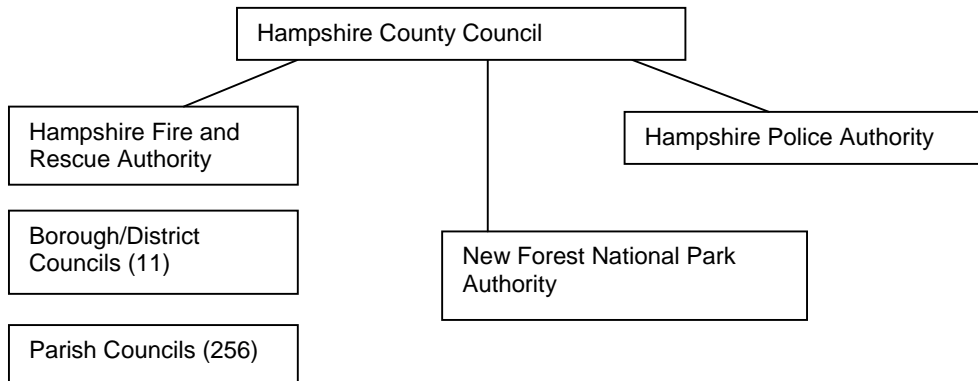


Figure 1. Hampshire public authorities

66. The district/borough and parish councils are, of course, directly elected. Those councils report to their own electorates and their political composition can and does vary from HCC. The names, gross expenditure and numbers of employees of the principal 14 local statutory authorities in Hampshire are as shown in Appendix 1.

67. The conclusion one draws from the information shown in Appendix 1 is that, using turnover and numbers employed as measures of levels of responsibility, HCC dwarfs any other statutory authority in the county and is bigger than the rest of the authorities put together. It is the IRP's view that this magnitude of difference in levels of responsibility should be reflected at least to some extent in the overall allowances that councillors receive from Hampshire council tax payers. As will be seen later in this report, this is not the case. There is no logic in the overall amounts that councillors receive from Hampshire council tax payers.

Hampshire County Council responsibilities

68. In Hampshire, local authority responsibilities are split between the county council and district/borough councils. The county council provides some services, typically the larger and more expensive ones such as education and social services. The district/borough councils provide other services such as housing and environmental health. HCC provides around 80% of the services. This difference in magnitude is reflected in the gross expenditure and numbers of employees of the councils, as shown in Appendix 1.

The performance of Hampshire County Council

69. The performance of local authorities is monitored and measured by the Audit Commission. It runs a process called Comprehensive Performance Assessment (CPA). This is the means by which the Audit Commission fulfils its statutory duty under Section 99 of the Local Government Act 2003 to make an assessment and report on the performance of local authorities.

70. The latest Corporate Assessment Report by the Audit Commission for HCC¹ was published in August 2007. The overall corporate assessment score for HCC was '4 – Well above minimum requirements – performing strongly'. This was the sixth consecutive year that the council had achieved the highest rating on the Audit Commission scale and had been in the top performing quartile of county councils and

¹ Corporate Assessment Hampshire County Council – Audit Commission August 2007.

unitary authorities. A few relevant quotes from the Audit Commission's summary of the report are as follows:

'Overall the Council is performing strongly, well above minimum requirements.'

'The Council is providing strong and effective leadership.'

'The Council has an excellent understanding of the challenges it faces in delivering its ambitions for the county.'

The general history of members' allowances since 1974

1974–1981

71. Under the Local Government Act 1972, councillors were entitled to claim attendance, travelling and subsistence allowances when undertaking approved duties such as attendance at official meetings and acting as the representative of the council on a range of other bodies. Rates were set by central government.

1981–1991

72. Under the Local Government Planning and Land Act 1980, an additional allowance in the form of a Special Responsibility Allowance (SRA) was introduced. This could be paid to councillors who undertook additional roles such as Leader of the Council, chairs of committees or leaders of opposition groups. Costs had to be contained within a ceiling set by central government.

1991–1995

73. Under the Local Government and Housing Act 1989, a further allowance in the form of a basic allowance was introduced. This had to be paid equally to all councillors and was designed to reflect the standard role expected of all councillors. Rates were set locally and had to be included within a ceiling for attendance, basic and special responsibility allowances set by central government.

1995–2001

74. Under the Local Authorities (Members' Allowances) Amendment Regulations 1995, the Government gave councils the discretion to determine or amend a scheme for payment of members' allowances. The idea was to give councils the ability to pay more to attract councillors from a wider range of backgrounds.

2001–2003

75. Under the Local Government Act 2000, councils were required to draw up proposals to adopt one of three possible models of governance. This Act also abolished attendance allowance.

76. The Local Authorities (Members' Allowances) Amendment Regulations 2001 required councils to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances paid to councillors under its chosen model of governance. The council must have regard to the Panel's recommendations before making or amending its Members' Allowances Scheme. These regulations also gave councils the power to pay childcare and dependent carer allowances.

2003–the present

77. The Local Authorities (Members' Allowances) Regulations 2003 came into force on 1 May 2003. They required councils to make a new allowances scheme on or prior

to December 2003. Guidance on the operation of the new regulations was published by the Office of the Deputy Prime Minister.²

78. The regulations extended the scope of an allowances scheme that can be determined locally. In addition to basic, special responsibility and childcare/dependent carer's allowances, a council can now:

- decide the basis on which councillors can opt to join the Local Government Pension Scheme;
- pay a co-optee allowance to co-opted members (in place of entitlement to claim Financial Loss Allowance);
- determine arrangements for the payment of travelling and subsistence allowances or expenses;
- set up a process for withdrawal of allowances if a councillor is wholly or partially suspended;
- establish the basis for any backdating and review of indicators used to calculate annual adjustments to allowance rates.

79. The council must still have regard to the recommendations of an IRP before it can set up or amend its Members' Allowances Scheme. The council can choose to accept the recommendations in whole, in part or not at all. On pensions, the council cannot go beyond the recommendations made by the IRP.

2007

80. In February 2007 the Secretary of State for Communities and Local Government set up an independent review, under the chairmanship of Dame Jane Roberts, to look at the incentives and barriers that encourage or deter people from standing for election as councillors. This reported in December 2007.³ It is not known as this report is being written, what, if anything, the Government will do with the recommendations of the Roberts Report. A partial analysis of the Roberts Report, in the context of the research findings of this review, is contained in a later section in this report.

The history of members' allowances in Hampshire

81. HCC, in anticipation of the Local Government Act 2000, took a decision to establish an Independent Panel at its meeting in October 1999. This was appointed in January 2000 with terms of reference to recommend a new scheme of members' allowances taking into account, among other factors, a move by HCC to a Leader and Cabinet model of management. This panel reported in July 2000.⁴

82. HCC had been operating (in compliance with the 1989 and 1995 regulations) a mixed scheme, with both an attendance allowance (£32 per day) and a basic allowance of £1600 paid to every councillor, and a further 53 SRAs for councillor roles (no individual councillor was paid more than one SRA).

83. The Independent Panel (July 2000) found 'Service as a councillor on Hampshire County Council is effectively limited to those who can afford to provide an almost open-ended time commitment with only the most modest remuneration. This leads to an unrepresentative profile of councillors, and it also militates against equality of opportunity'.

² New Council Constitutions: Local Leadership, Local Choice. Guidance on Consolidated Regulations for Local Authority Allowances July 2003. Office of the Deputy Prime Minister.

³ 'Representing the Future' The Report of the Councillors Commission December 2007. Department for Communities and Local Government.

⁴ Hampshire County Council, Report of the Independent Panel on Members' Allowances, July 2000. Mr Rodney Brooke CBE, Professor Malcolm Grant (Chair), Sir Leonard Peach.

84. The Independent Panel (July 2000) put the minimum time commitment of a backbench councillor at 2.5 days a week (lower than the actual average reported by backbench councillors themselves in 2008 of 2.9 days). They then decided this should be discounted to two days a week (a public service discount, to be discussed later in this report). Then, applying two days a week to the average rate thought by the Independent Panel to be the white collar wage in Hampshire of £25,000 per annum, gave a figure of £10,000 for a basic allowance.

85. They then considered the executive positions in the new style of management of the council to be introduced from October 2001. Table 1 summarises the Panel's recommendations taken from their report (including recommendations for Hampshire Fire and Rescue Authority).

Table 1. Summary of Independent Panel 2000 recommendations

Post	No.	Basic allowance £	SRA £	SRA x basic allowance	Total £
Band 1					
Non-Executive members	48	10,000		-	10,000
Band 2					
Party spokesman (largest opposition party)	5	10,000	5,000	0.5	15,000
Chairman of Regulatory Committee	1	10,000	5,000	0.5	15,000
Band 3					
Group Leader of opposition party of five members or more	5	10,000	2,500 plus 350 per councillor including themselves. On present numbers equivalent to 10,200 for the Leader of the Lib Dems; 5,300 for the Leader of the Labour Group	0.25+ £350 per member	15,300 22,200
Band 4					
Scrutiny Chairs	5	10,000	10,000	1.0	20,000
Chair, Fire and Rescue Authority	1*	10,000	10,000	1.0	20,000
Band 5					
Cabinet Members	8	10,000	15,000	1.5	25,000
Deputy Leader	1	10,000	15,000	1.5	25,000
Band 6					
Leader	1	10,000	25,000	2.5	35,000
Total	74				

*The Chair is elected by the Fire and Rescue Authority. We recommend a SRA of £5,000 for the Vice-Chair when that post is held by a member of the County Council.

86. The council has also maintained two policies that were recommended in the July 2000 report and are very commonly applied in local authorities Members' Allowances Schemes. These are:

- (a) That no councillor should be in receipt of more than one SRA. If they occupy more than one role that has a SRA attached to it, then only the higher allowance is payable.

This only applies to HCC SRAs and does not apply with regard to appointments in the patronage of HCC, i.e. the Hampshire Fire and Rescue Authority and the

Hampshire Police Authority. So, through being elected to the County Council a councillor can in fact receive multiple SRAs paid for by the Hampshire council tax payer. A total of 25 councillors (19 on HFRA and 6 on HPA) benefit from this legal separation of roles. Prior to 1997 HFRA functions were in-house in the council, and if the same scheme of allowances had applied 10 HCC councillors would have been ineligible to receive their £2976 HFRA basic allowance and one would have been ineligible to receive their HCC allowance of £1397.

(b) That the number of councillors in receipt of SRAs should not exceed 50% of the total number of councillors. With a council of 78 this would give a maximum of 39. In practice, 35 are in payment.

87. It has been put to us by more than one councillor that these two rules are legal requirements contained in the Members' Allowances Regulations. This is not the case. There is no legal barrier to paying multiple allowances and no limit on the number of councillors who can receive them. These two practices seem to have applied over the years since the introduction of the new style of local authority management and allowances. They have been reinforced by guidance from the Office of the Deputy Prime Minister⁵ issued in 2003:

'The regulations do not limit the number of special responsibility allowances which may be paid, nor do the regulations prohibit the payment of more than one special responsibility allowance to any one member.

However, these are important considerations for local authorities. If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibilities and real time commitment before deciding which will warrant the payment of a special responsibility allowance'

Actual increases since the July 2000 recommendations

88. The original Independent Panel met in April 2000 and used pay data from March 2000 to formulate its recommendations, which were published in July 2000. The recommendations, although agreed, were phased in from October 2001, with full implementation not until the financial year 2002/03 because of budgetary constraints.

89. An Independent Remuneration Panel (IRP) was established in accordance with the 2001 Members' Allowances Regulations and the chairman of the original Independent Panel became chairman of the new HCC IRP, to give continuity with the original work.

90. The new allowance system had a full-year cost of around an additional £600,000 when implemented.

91. Since then the allowances have been up-rated each year with one exception. Some individual SRAs have been modified and others introduced. There has also been a very mixed pattern of the council accepting the recommendations of the IRP. Table 2 shows the annual percentage uplift in allowances and the resulting basic allowance from 2001 to 2007.

⁵ New Council Constitutions: Local Leadership, Local Choice. Guidance on Consolidated Regulations for Local Authority Allowances July 2003. Office of the Deputy Prime Minister.

Table 2. Annual percentage increases in allowances

Year commencing 1 April	% uplift	Resulting basic allowance £
2001	-	10,000
2002	3.00	10,300
2003	3.50	10,670
2004	2.75	10,963
2005	2.95	11,286
2006	0	11,286
2007	2.475	11,565

A comparison between the present actual allowances and the July 2000 recommendations indexed up

92. Over the period March 2000 to March 2008, the Retail Price Index (RPI) increased by 25.95%⁶ and the Average Earnings Index (AEI) increased by 35.29%.⁷ During the corresponding period, there was a cumulative increase of 24.35% to local government salaries scales covered by the Local Government Salary Settlements (LGSS) awarded each year.⁸ Table 3 shows a selection of recommendations of the Independent Panel for allowances made in July 2000 and the actual figure in 2008, and for comparison purposes what the figures would have been if indexed up by RPI, AEI or LGSS.

Table 3. Independent Panel July 2000 recommendations for allowances compared with actual March 2008 figures and the results of indexation

Allowance	Recommended July 2000 £	Actual March 2008 £	July 2000 indexed by RPI £	July 2000 indexed by AEI £	July 2000 indexed by LGSS £
Basic allowance	10,000	11,565	12,595	13,529	12,435
Council Leader	25,000	27,913	31,488	33,823	31,088
Cabinet Member	15,000	16,747	18,893	20,294	18,653
Select Committee chairmen	10,000	11,165	12,595	13,529	12,435
Liberal Democrat spokesmen	5,000	5,583	6,298	6,765	6,218

93. As a result of the transitional delay in implementing the original Independent Panel's recommendations in full until 2002/03 and a 'freeze' on most allowances during 2006/07, the current schedule of allowances represents a reduction in real terms over the recommendations made and accepted by the council in 2000. Using the LGSS index (as the most commonly used to actually increase allowances), in real terms the basic allowance has reduced by 7% and the other allowances by 10.2%.

Summary of the IRP recommendations and council decisions since 2001

94. The council is entitled, under the statutory regulations governing members' allowances, to accept, reject or modify the recommendations of the IRP. It has regularly exercised this discretion. The IRP has met annually to consider the indexation of basic allowances and SRAs. It has also considered representations made by

⁶ Office for National Statistics – monthly statistics series.

⁷ Office for National Statistics – monthly statistics series.

⁸ HCC Human Resources Compensation and Benefits Unit.

councillors to enhance existing SRAs or to establish payments for new roles, together with giving consideration to the introduction of pension provision and carers' allowances (and subsequently to index).

95. A summary of the recommendations made by the IRP and the decisions taken by the council is shown in Table 4.

Table 4. Numbers of recommendations made by the IRP and council decisions taken

Issue	Total no.	Accepted	Rejected	Background note and IRP meeting date
Indexation	6	5	1	IRP recommended indexation of allowances by RPI rather than local government national pay settlement and the re-establishment of the original differentials. Council decided to freeze allowances rather than have any increase. (2005)
Existing SRAs	7	3	4	(a) IRP recommended no SRAs should be paid to Vice-Chairmen of Select Committees. Council decided to introduce SRAs. (2002) (b) IRP recommended that no SRAs should be paid to the Chairman or Vice-Chairman of the Standards Committee. Council decided to introduce SRAs. (2002) (c) IRP recommended that no SRAs should be paid to members, other than the Leader, of the second opposition party. Council decided to introduce SRAs to Labour spokespersons. (2000) (d) IRP recommended that no SRA should be paid to the e-champion. Council decided to introduce a SRA. (2003)
New SRAs	3	2	1	IRP recommended that a SRA should be paid to the Chairman of the River Hamble Harbour Board. Council decided to defer until conclusion of overall review in 2008. (2007)
Pensions	1	1	0	
Carers' Allowance	4	4	0	

HCC's breach of the statutory regulations

96. In February 2006 the council, upon the recommendation of the Governance Committee, approved the introduction of SRAs for the minority party spokesmen on the Regulatory Committee. This has neither been put to the IRP nor considered by them.

97. This is in breach of 2003 regulations under which the council is obliged to refer proposed changes to the IRP before they are implemented and to take account of the IRP's recommendations.

Recommendation 1 We recommend that HCC adheres to the statutory regulations concerning the operation of its Members' Allowances Scheme.

The present review: issues and methodology

Why review now?

98. The decision to undertake a comprehensive review of the HCC's Members' Allowances Scheme was taken in principle as long ago as 2005. The original Members' Allowances Scheme, as proposed by the Independent Panel in July 2000, was introduced in advance of the new management arrangements of a Leader and Cabinet, which were implemented from October 2001. Also quite a number of additions and changes had been made by HCC over time, some recommended by the IRP, some not. Given the amount of time that the present management arrangements have been in place, the IRP felt it would be good practice to undertake a comprehensive review.

99. A change in the chair and membership of the IRP meant that detailed planning of the review did not begin to take place until October 2007 and the terms of reference (see Appendix 2) were finalised in November 2007.

IRPs: the theory and practice

100. IRPs are designed to be a part of the checks and balances of local democracy. They can give assurance to local council tax payers that members' allowances are being properly established and managed. They can also give comfort to councillors that someone independent of the council is taking a view on these matters, and the council can turn to its IRP for advice and guidance.

101. There is little in the regulations or guidance about who should be on IRPs, how they should be appointed, and what methodology they should adopt in carrying out their statutory duty to make recommendations to local authorities with regard to their members' allowances. IRP members should be independent of the council, and it is assumed the same principles that apply for public appointments in general also apply to these posts.

102. At least three 'worthy' citizens have to be appointed to the IRP. A local authority is under no obligation to provide other than basic resources to its IRP and to publicise its meetings, agendas, and minutes and attend to other procedural matters.

103. Unlike other democratic bodies, local authorities and their IRPs do not have access to the resources and expertise of the Office of Manpower Economics or the Senior Salaries Review Body. The National Assemblies of Northern Ireland, Wales and Scotland have statutory access to the Senior Salaries Review Body, as does the Greater London Assembly.

104. Given very limited time, lack of resources and varying levels of relevant expertise and experience among their membership, it is hardly surprising that local IRPs have been very limited in their work and the level of professionalism they have been able to achieve. Judgements on relativities of posts have largely been intuitive. Research on comparative earnings has largely been restricted to other local authorities and posts in the public sector that can be easily researched. A methodology for fixing the basic allowance and using a 'public sector discount' has evolved and this has been codified by Dr Declan Hall⁹ of the School of Public Policy, University of Birmingham, and is described elsewhere in this report.

105. Local authorities themselves, including Hampshire, have not and are not required to make available to their IRPs or themselves access to professional consultants such

⁹ Dr Declan Hall, School of Public Policy, University of Birmingham, is also co-author of the Councillors Commission report 'Members Remuneration – Models, Issues, Incentives and Barriers', Department of Communities and Local Government, December 2007.

as Hay, Towers Perrin or Price Waterhouse Coopers for the purpose of advising on members' allowances. These consultants have been appointed at various times by the Senior Salaries Review Body to advise on the remuneration of members of other elected bodies in the UK.

106. The regulations are designed mainly, but not exclusively, to be implemented by a single local authority. This means that within the boundaries of Hampshire there are 13 separate IRPs: the HCC one, another for Hampshire Fire and Rescue Authority, and 11 in the borough and district councils (all funded by the Hampshire council tax payers). There is a separate IRP operating under the same legislation in the New Forest National Park Authority (funded by the Government). These different IRPs are, in fact, considering different allowances for a significant number of the same people, as 41 HCC councillors out of 78 are also district/borough councillors and 19 are members of the Hampshire Fire and Rescue Authority. This multiplicity of IRPs is a waste of tax payers' resources and leads to an inequitable, unjust and indefensible allocation of Hampshire council tax payers' money to members' allowances. The present situation is entirely legal but, in the view of the IRP, is a distortion of democratic processes and an opaque distribution of Hampshire council tax payers' money.

107. There is no need for this to have occurred in Hampshire. The regulations have always provided (Part 4 paragraph 20 (b)) for different local authorities and bodies covered by the regulations to be able to share a single IRP. This already happens in London.

Recommendation 2 We recommend in the interests of council tax payers that with immediate effect Hampshire County Council and Hampshire Fire and Rescue Authority share an IRP and invite all 11 other district/borough local authorities within HCC's boundaries to join it in sharing the same IRP.

Specific research for the Hampshire IRP review

108. There were five elements to the research that the IRP undertook for this review.

109. The first part was to find out information about the councillors themselves. We looked at what was publicly available on the Hantsweb or other statutory authority websites. This gave us data about which public bodies the councillors were on and their income from these. This was supplemented by over 20 Freedom of Information requests. We also asked the councillors themselves to complete a questionnaire. This is shown in Appendix 3. The questionnaires gave us a range of information and we were pleased to attain an 86% response rate. HCC gave us anonymised dates of birth to enable us to do a 100% age analysis.

110. The second part was to find out about the roles of councillors. We were fortunate in that the HCC website carries a large amount of data about the roles councillors are asked to do and terms of reference and other information about the committees and other bodies they sit on. The HCC constitution includes a job description of the backbench councillor's role (see Appendix 4) plus descriptions of many other roles, including those for the Cabinet. There are also the minutes, agendas and other papers of every council committee, the full council and the Cabinet on the web.

111. We also gave every councillor the backbench councillor job description and asked them to comment on it. We had a number of comments back. We gave every councillor in receipt of a SRA (or holding a role for an unpaid SRA or any councillor who held a post we thought might be entitled to a SRA, like chairmen of Hampshire Action Teams) a special form to fill in. This was called a SRA role profile form. One was sent out for each role, and as some councillors held more than one role they were asked to complete more than one form. This asked for data about the key responsibilities and accountability of roles, the resources involved and the essential knowledge necessary to carry out the role.

112. The third part was to research information about comparative earnings and other data relevant to councillors. We did this using a number of different sources. The three most important were the Local Government Association census of councillors of 2006, local authorities' own websites and the Hay database.

113. The fourth part was to carry out a consultation exercise to obtain both the views of the council tax payers in the county and the councillors themselves. The details of this are in the section of this report on consultation.

114. The fifth part was to see councillors in action. Between them the IRP members attended the majority of scheduled major public council meetings as shown on the Hantsweb diary at least once, and this happened during the month of July 2008.

115. The IRP felt strongly that we had to be as objective as possible in examining the councillors' roles and in coming to conclusions about their role size relative to each other. This led the IRP to then consider which roles should receive SRAs in addition to the basic allowance that all councillors are entitled to receive. From our research, as shown above, we had extensive data about the councillors' roles.

116. We used the data in two ways. Firstly, we did what is known as a 'paired comparison' exercise. We took every councillor role and compared it to every other councillor role as to whether it was the same or greater or less in terms of responsibility. This produced a rank order for us.

117. Secondly, we undertook for some roles a Hay¹⁰ role profile evaluation. Hay is one of the leading job evaluation methodologies available in the UK and is extensively used in the public and private sector in the UK and by HCC for its own staff. It has also been used by the Senior Salaries Review Body in its work on other democratic bodies. Other consultants such as Price Waterhouse Coopers and Towers Perrin offer other job evaluation methodologies. The IRP members, based on our own experiences, were of the opinion that the use of Hay was best for this purpose.

118. We did not have access to a Hay consultant as we have no resources of our own and neither did HCC provide them. However, HCC did provide limited access to the HCC in-house leading Hay evaluator. Also one member of the IRP is a trained and experienced Hay evaluator. Using the expertise of these two individuals we were able to build up some Hay scores for some of the key roles. This enabled us to compare pay for some councillor roles with the same level of roles within HCC and, through HCC, access the Hay public sector database. This work is not as robust or quality assured as it would have been if we had had more time available and had had the resources to access Hay expertise.

119. The Hay evaluation information has been very helpful and informative, but it has only been one element of the data and analysis we have used in arriving at our conclusions. We have used a mix of data and analysis, informed and balanced by our own experience and judgement.

¹⁰ The Hay Group's Job Evaluation Method is a proprietary product of Hay Management Consultants Ltd, 33 Grosvenor Place, London SW1X 7HG, www.haygroup.com.

Consultation

With Hampshire council tax payers

120. The IRP felt it was very important to have a process of consultation with Hampshire council tax payers over the issues covered by the review and to take into account the points raised in such a consultation.

121. HCC, on behalf of the IRP, placed public advertisements in 11 newspapers throughout the county that appeared during the week commencing 5 May 2008 inviting public comment. This was supported by a press release from the IRP itself, which went out on 6 May 2008 to 17 newspapers, 14 radio stations and 4 television stations that cover the county.

122. The public were invited to express their views either by email to the IRP or by writing or by attending a public hearing that was held on 26 June 2008. In addition, the IRP monitored public comment expressed in Hampshire newspapers and their websites.

123. A total of 85 public comments were taken into account by the IRP, including those from three individuals who attended and spoke at the public hearing on 26 June. All the contributions appeared to be from individual Hampshire council tax payers, with the exception of two individuals at the public hearing who were from the pressure group Isitfair. Three main themes dominated the views expressed by council tax payers. These were:

(a) That HCC councillors received a multiplicity of allowances arising not only from being elected to HCC and appointed by HCC to other allowance-paying statutory authorities, but also from being elected to district/borough councils. Concern was three-fold arising from this situation. Firstly, the level of earnings that councillors were able to generate from council tax payers compared with what many council tax payers were themselves earning. Secondly, given the multiplicity of roles, whether these roles could be carried out properly or conscientiously on behalf of council tax payers. Thirdly, that all of this was not made transparent to the electorate.

The quotes below from one submission to us encapsulate many of the concerns expressed:

'I note that some County Councillors seem to serve not only upon HCC but also, for example, "local" councils, thereby, in the performance of multiple roles, generating a significant "income" for themselves. This seems to me to fundamentally undermine and unnecessarily confuse the notion of an elected voluntary representative rather than an employed Officer. Moreover, there appears no safeguard against over commitment...'

'The development of what appears to be a breed of "career local politician", paid out of the public purse under the euphemism of allowances, is worrying, the more so because the electorate have not had the issues spelled out to them.'

(b) The second area of concern was whether councillors should get any further increases at a time when council tax was seen as having gone up faster than inflation. Many wrote that they felt that many council tax payers were struggling to pay their council tax bill in the context of other costs such as fuel and food having escalated. Many seemed to feel that somehow councillors were being insulated from the effects of a general squeeze that everyone else was feeling and that this review was 'a further example of the gravy train for county councillors'. Isitfair and some others referred to the escalation in the costs of councillors that have taken

place over the last eight years and in particular the considerable increase when the new structure of council management was introduced.

(c) The third area of concern was a perceived lack of accountability of councillors. Comments were made concerning a lack of transparency about what councillors actually did. Some comments were made about the fact that there was no easy access for the public to councillors' attendance records at council meetings, committees or other meetings of both HCC and other statutory authorities in the county.

124. While the three issues above predominated in the public responses, some other issues were also raised and these were as follows:

- Some commented that councillors should receive some remuneration. They could not be expected to do it for nothing just because this happened at some time in the past under very different social conditions.
- Some, including Isitfair, commented that there was no need for councillors to be representative of the population in Hampshire and that allowances should not be fixed just to attract younger people to become councillors. Some went on to say that younger councillors would not have 'the life experience' required to effectively represent their constituents.
- Some thought it unfair that councillors had the opportunity to be able to join the Local Government Pension Scheme, a final salary, index-linked scheme, while the responder was denied entry to a final salary pension scheme.
- Some thought that the IRP was a waste of time, either because the council could ignore any recommendations it made or because the IRP would ignore any comments made by the public.
- Some thought that the performance of councillors should be closely monitored and performance-related pay should be introduced.
- Some thought that councillors' allowances should be reduced to take account of other income from either other public appointments or from outside earnings.
- Some said that there was no evidence that the increase in allowances over the last eight years had in fact produced a group of councillors who were more representative of the general population.

Consultation with councillors

125. All councillors were invited to make comments about the role of a councillor, the HCC Members' Allowances Scheme, any issues arising from the Councillors Commission (Roberts Report) or anything else they thought relevant.

126. Twenty-four councillors made general comments. These covered a wide variety of subjects and there was little commonality between them. Issues that were mentioned were as follows:

- Many councillors thought the job description for backbench councillors contained in the HCC constitution was 'about right'. Three councillors felt the focus of it was incorrect. They felt that the focus of it should be on representing their community to HCC and not representing the HCC to the community. Some also felt that it understated the importance of county councillors in liaising with and being present at parish councils.
- Four councillors commented that the move to a Leader and Cabinet system had considerably diminished the role of backbench councillors. Some felt that the creation of the scrutiny committees, the Hampshire Action Teams and giving the individual councillor a local budget of £10,000 was an attempt to give backbench councillors 'something to do'.

- Many comments were received that the basic allowance for councillors was both necessary and 'about right'. Concern was expressed that allowances for Cabinet Members were set too low to attract councillors of the right calibre to undertake what were seen as full-time roles. Four councillors felt that the cessation of attendance allowances was a retrograde step and that some councillors were just taking the basic allowance and were not 'pulling their weight'. Five councillors said that they undertook the role out of a spirit of public service and not for the remuneration. Two councillors said they would prefer to see councillor allowances set nationally and not set by HCC itself.
- One long-serving councillor put it to us that the system of having a single basic allowance for councillors was unfair. They felt there should be an incremental scale, increasing with length of service. They felt that the longer a person was a councillor the better known in their community they became. As a result, their casework increased and became considerably larger than that of a newer, relatively unknown councillor. They also said that they were mentoring newer councillors and that this was not recognised.
- Some councillors commented on what they saw as the arbitrariness of the multi-allowance system. They said that some councillors could obtain Fire or Police authority appointments through HCC nomination and receive additional income and yet do no more hours than other councillors who had other HCC external appointments that received no allowances.
- Only three councillors commented on the Councillors Commission (Roberts) Report. This suggested to us that the majority of councillors were probably unaware of the report and its recommendations. One councillor took the trouble to contact us in order to obtain a copy of the report and then gave us a full commentary of their views on it. The only common view expressed by these councillors was to disagree with the recommendation that the number of terms for which a councillor could be elected should be limited.
- There was a general view that long hours were required to be a councillor and there was difficulty in combining the councillor role even with part-time employment. Several councillors made the point that the timing of HCC meetings during the normal working day compounded this difficulty.
- Three councillors commented that they felt after some time in the job they became well known and became 'public property'. This made large demands on their time throughout the week. Two of these also felt that the widespread use of email by constituents led to a great increase in correspondence and the demands made on councillors. Two councillors commented that the use of email had led to constituents expecting a faster response from their councillors.
- A few councillors commented on being on more than one council. Two HCC councillors stated they thought it was wrong to be on more than one council as it brought about conflicts of interests. Two councillors said that their membership of more than one council and the multiple allowances they obtained gave them a 'generous' income. Two councillors commented that being on more than one council made it very difficult to say which hours were spent on one council's duties rather than another's.
- Three councillors felt that the support they received from the council was inadequate and that the council should supply greater administrative and research support.

The present council, present councillors and their allowances

127. There are 78 HCC councillors. They are elected for four-year fixed terms. The last election was May 2005 and the next one is May 2009. The present political composition is shown in Table 5.

Table 5. Current political composition of HCC

Political party	Nos of councillors	% of total
Conservative	46	59
Liberal Democrat	28	36
Labour	4	5
Total	78	100

Gender

128. Overall the council is 71% male and 29% female (see Table 6). This compares with the population of Hampshire itself, as recorded in the 2001 National Census, which is 49% male and 51% female. Women are therefore seriously under-represented on HCC compared to the population of Hampshire itself.

Table 6. HCC councillors by political party and gender

Political party	Male		Female		Totals	
	Nos	%	Nos	%	Nos	%
Conservative	34	74	12	26	46	100
Liberal Democrat	20	71	8	29	28	100
Labour	1	25	3	75	4	100
Total	55	71	23	29	78	100

129. This compares with the position of HCC in July 2000, as reported in the HCC Report of the Independent Panel on Members' Allowances,¹¹ when there were 54 male (74%) councillors and 19 (26%) female. There has therefore been little significant change over the eight years and two elections of the intervening period.

130. However, the HCC gender figures are broadly in line with the gender distribution on councils as a whole in England as shown in the National Census of Local Authority Councillors 2006.¹² This shows that for all top tier councils in England 69.3% of councillors were male and 29.3% female. For shire counties 71.8% were male and 26.5% were female. (HCC figures based on 100% analysis, National Census results based on 44.45% rate of return.)

131. The situation in the Westminster Parliament is even less representative of the UK population, where of 645 MPs (in mid-May 2008) 520 (80.6%) are males and 125 are females (19.4%). There is obviously something about the democratic electoral process in the UK (and maybe elsewhere in the world too) that produces an elected gender balance significantly out of line with the population it is representing. No doubt there is much research on this but it is beyond the time available and resources of the HCC IRP to comment further. On this point the Councillors Commission (Roberts) Report of December 2007 says:

'Women are often discouraged from becoming involved in politics by the competing time pressures of domestic and caring duties and by the presence of

¹¹ Hampshire County Council, Report of the Independent Panel on Members' Allowances, July 2000. Brooke, Grant, Peach.

¹² National Census of Local Authority of Councillors in England 2006.

*cultural attitudes which leave these duties continuing to be seen as women's responsibilities.*¹³

Age

132. We were supplied with a list of all councillors' dates of birth, but not the associated names, by HCC. We were therefore able to produce accurate age distribution analysis of the HCC councillors without being able to identify an individual councillor's date of birth.

133. An age analysis was produced in the HCC Independent Panel report of July 2000 and for comparison purposes this and the age of the present council (as at 1 April 2008) is shown in Table 7.

Table 7. Age analysis of councillors in July 2000 and April 2008

Age bands	July 2000 as %	April 2008 as %
18–40	1	9
40–49	11	8
50–59	22	18
60–69	39	51
69+	25	14

134. While there has been an increase in those aged under 40, the overall broad picture is unchanged. In 2000 the under 60s were 34% of the council and the over 60s 64% and in 2008 the under 60s were 35% and the over 60s 65%. While the age band of 53 councillors has changed over the period 2000 to 2008 this has not had a significant impact on the age distribution.

135. The comparison between the population of Hampshire¹⁴ (as at 2001) and the HCC councillors (as at April 2008) is shown in Table 8.

Table 8. Age bands for Hampshire population and HCC councillors

Age bands	Hampshire population %	HCC councillors %
18–44	35.91	10.26
45–59	20.22	24.36
60–64	4.98	28.21
65–74	8.53	28.21
75+	7.68	8.97

136. Some caution must be used in interpreting these statistics because of the seven-year gap between the surveys. Also 22.67% of the Hampshire population is under 18 and therefore ineligible to stand for election. This omission in the Hampshire population figures in the table biases the comparison in the direction of showing HCC older by comparison. The general picture, however, is clear. A total of 65.39% of HCC councillors are over 60. This is completely unrepresentative of the Hampshire population.

137. The average age of councillors across England as a whole in 2006 was 58.3 and shows an increasing trend since 1997 when it was 55.4 years. The HCC average is 60.2 years, so slightly above the national average. In England in 2006 86.5% of councillors were aged 45 and over compared to the general population figure of 55.1%.

¹³ 'Representing the Future' The Report of the Councillors Commission December 2007. Department for Communities and Local Government.

¹⁴ Census 2001 Key Statistics for Local Authorities in England and Wales, Office for National Statistics 2003.

For HCC the number of councillors aged over 45 is 89.74%, again slightly above the all England figure, but roughly in line with the figures for councillors in England.

Length of service

138. Table 9 shows the length of service of HCC councillors broken down by gender, and percentages in each range for HCC and according to the National Census.

Table 9. Length of service data

No. of years by end 2008	Male	Female	Overall	HCC %	National Census ¹⁵ %
1–5	24	10	34	43.6	24.7
6–9	13	8	21	26.9	24.2
10–15	12	5	17	21.8	19.2
16–20	3	0	3	3.8	7.6
21–25	1	0	1	1.3	3.9
26+	2	0	2	2.6	4.6
Totals	55	23	78	100	100
Average length of service	8.1	6.7	7.7		8.3

139. The HCC data is difficult to compare with the National Census information on councillors due to the different dates when the data has been collected. We have taken up to date information for HCC projected to the end of 2008, whereas the National Census data is taken in 2006. Overall, it would appear that the HCC average length of service is somewhat shorter than the average in England as a whole, but not so significantly different as to cause any concern.

Other personal information and analysis of HCC councillors

140. The information and the data in the following sections of this report were obtained from the councillors themselves through a questionnaire. This was sent to all 78 councillors on 10 March 2008. A total of 67 replies were received through a combination of post, email and follow-up telephone calls. Four councillors replied that they were declining to cooperate and seven councillors did not respond at all. A copy of the questionnaire used is shown in Appendix 3.

141. The IRP felt that this level of response (86%) was significant enough to be able to publish the findings in this report, but it should be noted the response rate was less than 100%. Also not all councillors who did respond answered every question.

Ethnicity

142. Of the 67 councillors who completed questionnaires, three declined to answer the question on ethnicity. Of the remainder, 52 self-declared themselves as White English, while 12 identified themselves as other categories of White, from either other countries within the UK or from countries that are members of the Commonwealth.

143. No councillors declared themselves as any of the non-white categories using the Commission for Racial Equality categories.

144. Hampshire has a relatively low minority ethnic population of 2.2%, compared to the national average of around 8%. In England as a whole, 95.9% of councillors were White and 4.1% came from an ethnic minority background.¹⁶

¹⁵ National Census of Local Authority Councillors in England 2006.

¹⁶ National Census of Local Authority Councillors in England 2006.

Disability

145. Of the 67 questionnaires returned four did not answer the question on 'long-term illness/health problem/disabled'. Four councillors classed themselves as 'long-term illness/health problem/disabled', or 6% of the total responding. This compares with 10.9% of all councillors in England and a UK-wide figure of 17.9% for the population as a whole.

146. These four HCC councillors made a number of comments about being a HCC councillor with a 'long-term illness/health problem/disabled'. They praised the helpfulness of HCC employees, but expressed some concerns about access to some meeting rooms and access to toilet facilities from those rooms. Concerns were also expressed about the size and style of some chairs and difficulties with being able to hear in some of the meeting rooms.

Caring responsibilities

147. Of the 67 councillors completing the questionnaire, 16 (or 23.9%) said that they had caring responsibilities. This covered children, parents, partners and others. This compares with the survey of all councillors in England in 2006,¹⁷ which showed 24.2% had one or more caring responsibilities.

148. No comments were made by any of these councillors on any difficulties with managing their role as a carer with their role as a county councillor. No claims were made in 2007/08 under the HCC Members' Allowances Scheme for Childcare and Dependent Carer's Allowances.

Employment status

149. The employment status of councillors as indicated by their questionnaire returns is shown in Table 10.

Table 10. Employment status of councillors in HCC and other English councils

Employment status	HCC nos	HCC %	All English councils % ¹⁸	Shire counties %
Full-time on HCC duties and any other public service duties in Hampshire	49	73	*	*
In full-time paid employment (normally more than 30 hours a week)	6	9	23.5	12.7
In part-time paid employment (normally less than 30 hours per week)	5	7.5	10.4	11.5
Self-employed	4	6	16.0	16.5
Retired	1	1.5		
Declined to answer	2	3		
Totals	67	100		

*It is not easy to compare these Hampshire figures with the National Census because we have asked the question in a slightly different way. The National Census does not ask the question of councillors if they are full-time on council and other public duties. We felt this was an important question to ask.

¹⁷ National Census of Local Authority Councillors in England 2006.

¹⁸ National Census of Local Authority Councillors in England 2006.

150. Of the 49 councillors who answered that they were full-time on HCC and other public duties in Hampshire, 20 also indicated that they were retired from other employment. This shows that more than two-thirds of HCC councillors are in fact full-time local politicians.

151. The figures for paid non-public service employment can be directly compared and are shown in Table 10. This indicates that in England as a whole half of all councillors were working either full or part time or were self-employed. The same figure for HCC is 22.5%.

152. However, the National Census shows quite marked differences in councillor employment patterns between different types of local authority. A more reliable comparator for Hampshire is probably other shire counties. These, by their very nature, will be larger both geographically and in the type and level of responsibilities, revenue and capital spend than other types of local authority. In shire counties across England 40.7% of all councillors were working either full or part time or were self-employed. The Hampshire figure for non-council paid employment at 22.5% is not much more than half the average for English shire counties. It is not clear why Hampshire should have so many full-time local professional politicians compared to other councils in England.

153. The Roberts Report¹⁹ has as its model that all councillors, including the Leader and other office holders, should be in full or part-time employment. The HCC Independent Panel commented in their July 2000 report that being a county councillor in Hampshire made it extremely difficult, if not impossible, to hold down a full-time job. However, they expressed the view that the type of councillor with a full-time or part-time job should be the rule rather than the exception.

154. At the time the Independent Panel report was written in 2000, 24 HCC councillors were current members of a district/borough council and over half (37+) had no other paid employment. By April 2008, 40 HCC councillors were also district/borough councillors, an increase of 67%. The number with no other paid employment was 50 out of 65 responding to this question on the questionnaire (or 77%). As a result of elections held on 1 May 2008 the number of HCC councillors who were also district/borough councillors increased to 41.

155. The fact is that there is a trend, which has accelerated over the past eight years, of HCC councillors being full-time local politicians with no other paid employment. Those with any other paid employment are becoming a smaller and smaller minority.

Hours spent on HCC duties

156. Our questionnaire asked every councillor to estimate the time they spent each month on HCC duties. We found that the figures given are very broad-brush. Councillors, like everyone else, apart from management consultants and other specialised professions, do not keep a precise record of their time or on what activity it is spent.

157. All 67 councillors who returned their questionnaires answered the question on hours. The mean average hours per month of all councillors on HCC duties was 110.5. The median was 100 hours. The average for backbench councillors was 93.9 hours per month and the median was 80. The analysis shown in Table 11 puts the hours into seven bands and shows it by backbench councillors, then role holders and then all councillors who responded to the questionnaire.

¹⁹ 'Representing the future' The Report of the Councillors Commission December 2007. Department for Communities and Local Government.

Table 11. Hours spent on HCC duties

Hours per month	Backbench cllrs		Role holder cllrs		All cllrs	
	Nos	%	Nos	%	Nos	%
Less than 40	0	0	0	0	0	0
40-79	15	50.0	9	24.3	24	35.8
80-119	10	33.3	10	27.0	20	29.9
120-159	1	3.3	8	21.6	9	13.4
160-199	1	3.3	4	10.8	5	7.5
200-239	2	6.7	3	8.1	5	7.5
240+	1	3.3	3	8.1	4	6.0
Totals	30	100	37	100	67	100

Travelling time to HCC Winchester

158. We asked councillors not to include travelling time to Winchester in the figures for hours spent on HCC duties. We cannot be sure whether they did or did not conform to this request. We also asked councillors to give a figure for their average number of visits to HCC Winchester per month. Of the 67 councillors returning the questionnaire, 61 completed this question and we had the home postcodes for all but one of these.

159. We calculated the travelling time for HCC councillors, using the AA route planner for consistent calculations. There was enormous variation in travelling time and distance due to the large geographical size of the county. The shortest return travelling time was under 10 minutes and the longest was almost two hours. The average return journey time for these 61 councillors is 1 hour 19 minutes, the median being 1 hour and 14 minutes. The average number of visits to HCC offices in Winchester per month is 10.13 and the median 8. The average per month of travelling time to Winchester for these councillors is 12 hours 22 minutes. The median is 11 hours 20 minutes.

160. This is a significant amount of travelling time and, when added to the working time, considerably extends the amount of time spent away from home by councillors.

161. It also shows the wisdom of reimbursing each councillor for approved mileage on an individual basis. Some local authorities include reimbursement for travelling in their basic allowance. This approach would, in the IRP's opinion, be completely inappropriate for Hampshire.

Committee membership

162. Table 12 shows the number of committees (including the Cabinet) that each HCC councillor sits on. The pattern for numbers of committees sat on by HCC councillors, with an average of 3.7, is very close to the national average for England of 3.8.

Table 12. Numbers of committee memberships for HCC councillors and councillors throughout England

No. of committees	No. of HCC councillors	As a % of total of HCC councillors	National Census ²⁰ %
None	0	0	0.3
1	0	0	10.0
2	14	17.9	21.6
3	27	34.6	23.3
4	16	20.5	18.4
5	13	16.7	11.0
6-10	8	10.3	13.6
11+	0	0	1.8
Totals	78	100	100
Average	3.7		3.8

²⁰ National Census of Local Authority Councillors in England 2006.

How the councillors spent their time on HCC duties

163. We asked the councillors to estimate how the time spent on HCC duties was actually used, broken down into six different categories as shown in question B3 in Appendix 3. Of the 67 councillors completing the questionnaire, 47 answered this question. As would be expected, there was very wide variation in the total hours worked on HCC business shown by these 47 councillors, with the lowest being 31 hours a month and the highest 308 hours. The average for these 47 councillors was 120 hours and the median was 104 hours per month. The average percentages of time spent by councillors on the six categories of duties are shown in Table 13.

Table 13. Time spent on HCC duties by categories

Time category	% of time spent
Attending and preparing for meetings	41.1
Representing the Council on outside bodies including preparation and other work	10.3
Representing individual constituents including telephone calls and writing letters and emails	15.8
Representing local community interests including preparation, attending meetings, telephone calls, writing letters and emails	18.2
Representing party political interests	8.9
Any other activity	5.7

Time spent on other allowance-paying public bodies

164. HCC councillors are appointed or elected to a number of other statutory public bodies, and HCC has the patronage to appoint to bodies listed in Table 14. Each of these authorities has its own scheme of allowances.

Table 14. HCC appointments to statutory public bodies

Statutory body	No. appointed by HCC
Hampshire Fire and Rescue Authority	19
Hampshire Police Authority	6
New Forest National Park Authority	5

Hampshire Fire and Rescue Authority (HFRA)

165. Of the 19 HCC-appointed councillors on HFRA, 16 returned forms to us. The average hours spent on HFRA work a month were 18, but there was a wide range of hours. The median was 8 hours, with a few councillors doing a lot of hours per month on HFRA business. These 16 councillors on average worked 108.9 hours for HCC.

166. Of the 16 HCC councillors on HFRA who returned forms to us, 9 were also district/borough councillors and 2 were on other public bodies. These 11 councillors on average worked 53.3 hours for the district/borough council/public body in addition to an average of 111.2 hours working for HCC and 16.4 hours working for HFRA, making an average monthly total of 180.9 hours.

Hampshire Police Authority (HPA)

167. Five out of six HCC-appointed members to the HPA made returns to us. They averaged 39.8 hours on HPA duties a month. There was a wide spread of hours within this small group and this figure should be treated with caution. In addition to these average hours, this group spent a further average of 108.6 hours per month with HCC. This makes the combined HCC and HPA average for this group 148.4 hours per month. Two of these HCC councillors on the HPA were also district/borough councillors. One was also on HFRA.

New Forest National Park Authority (NFNPA)

168. Five HCC councillors are appointed to the Board of this independent authority. Of the five, three returned their questionnaires to us. On average they worked 7.3 hours a month for this authority. Further analysis is not possible without identification of the individuals concerned.

Borough/district councillors in membership of HCC

169. In addition some 40 HCC councillors (prior to 1 May 2008) were members of district/borough councils, as detailed in Table 15.

Table 15. HCC councillors also members of district/borough councils

Council	HCC nos	Council	HCC nos
Basingstoke and Deane Borough Council	6	Havant Borough Council	2
East Hampshire District Council	5	New Forest District Council	5
Eastleigh Borough Council	5	Rushmoor Borough Council	2
Fareham Borough Council	5	Test Valley Borough Council	2
Gosport Borough Council	4	Winchester City Council	1
Hart District Council	3	Total	40

170. Of these 40 borough/district councillors 33 returned forms to us and all but one of these reported on their hours spent on the district/borough council duties. They average 60.2 hours a month on district/borough duties (the median was 60) in addition to the average of 83.1 hours a month this group of councillors reported as spending on HCC duties, making 140.3 hours a month in total.

Councillors considering seeking re-election in 2009 and member's allowances

171. The final question on the questionnaire was:

'When you are considering whether to seek re-election to HCC in May 2009, is the present level of allowances a major factor for you? Yes No

172. Of the 67 councillors who completed questionnaires, two specifically declined to answer this question, and one just ignored it. Of the 64 who did answer it, 49 (or 77%) said that the present level of allowances was not a major factor for them, while 15 (or 23%) said that it was a major factor for them.

About the present HCC allowances

173. As the section on history of the allowances indicates, over the years the allowances system has developed as a result of implementation of the Leader and Cabinet system of management and ad hoc decisions made.

174. The present allowances structure is shown in Table 16, with the proposed bands from the Independent Panel's July 2000 report added for comparison.

Table 16. Summary of members' allowances

2008 actual members' allowances					2000 recommendations	
Post	Basic	Nos	SRA	Total		Nos
Band 1					Band 1	
Backbench Cllrs	11,565	43	-	11,565	Backbench Cllrs	48
Band 2						
Vice-Chairmen Governance, Standards	11,565	2	1,397	12,962		
Band 3						
Vice-Chairmen of Select Committees, Labour Party Spokesmen, e-champion	11,565	13	2,797	14,362		
Band 4						
Vice-Chairman Health Overview and Scrutiny Committee	11,565	1	3,482	15,947		
Band 5					Band 2	
Chairmen Standards and Governance Committees, Liberal Democrat Spokesmen	11,565	8	5,583	17,148	Lib Dem Spokesmen, Chm Regulatory Committee	5
Band 6					Band 3	
Leader Labour Group	11,565	1	6,847	18,412	Group leader of opp. party of 5+ members	5
Band 7					Band 4	
Chairmen of Select Committees and Regulatory Committee	11,565	6	11,165	22,730	Chairmen of Select Committees+ HFRA	6
Band 8						
Chairman Health Overview and Scrutiny Committee	11,565	1	13,908	25,473		
Band 9						
Leader of Liberal Democrat Group	11,565	1	14,275	25,840		
Band 10					Band 5	
Deputy Leader and Cabinet Members	11,565	11	16,747	28,312	Deputy Leader and Cabinet Members	9
Band 11					Band 6	
Leader of the Council	11,565	1	27,913	39,478	Ldr of Council	1
No. of roles		88				
Unpaid SRAs*		10				
Total no. of cllrs		78				74

*The council operates a policy of paying only one SRA per councillor. If a councillor holds more than one role qualifying for a SRA, they only receive the higher one.

175. Under the present Members' Allowances Scheme 43 councillors are backbench and only receive the basic allowance of £11,565. A total of 44 councillor roles have SRAs attached to them. Of these only 35 are in payment due to the policy of councillors not receiving more than one SRA.

176. The average total allowances for all councillors is £15,924 and the average paid in SRAs is £9715.

Other councillor allowances

177. There are two other allowances payable to councillors. These are for the Chairman and Vice-Chairman of HCC. In 2007/08 the allowance payable to the Chairman was £16,824 and that for the Vice-Chairman was £8616.

Equal pay analysis

178. The equal pay calculations in Table 17 show that approximately the same proportions of females and males receive SRAs. However, on average, females receive only 84.3% of the amount received by males. This is due to fewer women being in the higher paid posts. Out of ten posts in the Cabinet only three are occupied by women, and of the other eight posts outside the Cabinet paying a SRA of more than £10,000 only one was occupied by a woman. Taking all allowances and councillors into account women were paid on average 94.5% of the male average.

Table 17. Analysis of gender and allowances for HCC councillors

Gender	Nos of cllrs	Nos on SRAs	% on SRAs	Average of SRA	Ave total allow.
Female	23	10	43.5	8,571	15,292
Male	55	25	45.5	10,172	16,189
Total	78	35	45	9,715	15,924

179. Strangely, the Government requirement on the public sector to carry out equal pay audits does not seem to apply to councillors, and HCC specifically does not include councillors in the auditing arrangements of its own employees. This is clearly an anomaly. It has been picked up in the Roberts Report²¹ Recommendations 26 to 29. If these recommendations are implemented in legislation this will force local authorities to address councillor equality issues, instead of ignoring them as at present. Notwithstanding this, we recommend that HCC carries out an annual equal pay analysis of its councillors.

Recommendation 3 We recommend that HCC carries out an annual equal pay audit of its councillors and publishes the results with the annual statement of allowances paid under the Members' Allowances Scheme.

Political distribution of SRAs in payment

180. The distribution of SRAs among the political parties is shown in Table 18.

Table 18. Distribution of SRAs among the political parties

Political party	No. of cllrs	No. of SRAs in payment	As a % of their political group
Conservative	46	25	41.7
Labour	4	4	100.0
Liberal Democrat	28	6	21.4
Total	76	35	44.9

181. The balance shown in Table 18 is to be expected, with the exception of all Labour Party councillors receiving SRAs. The IRP does not believe that the latter can be justified.

²¹ 'Representing the Future' The Report of the Councillors Commission December 2007. Department for Communities and Local Government.

Multiple public roles of HCC councillors and multiple allowances

182. The payment of multiple allowances to councillors was raised during the public consultation as a major item of public concern. We have therefore extended our work to also analyse both allowances paid through the direct patronage of HCC and other allowances received by HCC councillors as a result of electoral decisions taken by council tax payers in Hampshire.

183. There is nothing illegal or even inherently wrong about councillors serving on many public bodies and receiving multiple allowances for doing so. What can be said is that this predominant feature of HCC councillors is far from clear and transparent to council tax payers. Also, there was no analysis available, or data from which to derive one, of the effectiveness of councillors carrying out multiple roles.

Distribution of allowances through HCC patronage

184. As has already been seen in the section on how councillors spend their time, the council has large patronage through its statutory right to appoint councillors to other statutory authorities in the county. These appointments can only come through being a HCC councillor; they are not available to members of the public. There are three allowance-paying bodies to which HCC appoints councillors. These are considered below.

Hampshire Fire and Rescue Authority (HFRA)

185. HFRA was in-house within HCC until 1997 when, with the creation of Southampton and Portsmouth unitary authorities, a legally separate HFRA was created. HFRA was to maintain an efficient fire service based on the old boundaries, but to provide appropriate representation for the new unitary authorities. Out of HFRA's total membership of 25, 19 are also HCC councillors. Key executive posts of HFRA are filled by key executives of HCC. Though legally separate, in the private sector HFRA would be regarded as a wholly owned subsidiary of HCC. Like HCC, it is funded by Hampshire council tax payers. Of the 19 members who are HCC councillors, 11 are Conservative, 1 is Labour and 7 are Liberal Democrat.

186. HFRA has identical arrangements to HCC as far as members' allowances are concerned. They are covered by the same regulations. It has its own basic allowance and SRAs and a separate IRP.

187. All members of HFRA get a basic allowance of £2796 per annum. In addition 10 HCC members on HFRA receive SRAs. These range from £13,743 for the Chairman of the Authority down to £837 for the Vice-Chairman of the Standards Committee. The average SRA paid was £4339. In summary, this means 9 councillors were paid an extra £2796 of basic allowance for this HCC appointment and a further 10 averaged an extra £7308 through a combination of basic allowance and SRA.

Hampshire Police Authority (HPA)

188. HPA is an independent body with its functions laid down by law. The key task of the Authority is to secure the maintenance of an efficient and effective Police service. The Authority has 17 members. Nine members are councillors appointed to reflect the political balance of Portsmouth and Southampton unitary authorities and Hampshire and the Isle of Wight county councils as a whole. The other eight members are a combination of appointed magistrates and independent members of the public.

189. Of the nine councillor members six are from HCC. Four are Conservative and two are Liberal Democrat. None are Labour.

190. Allowances are paid by HPA in accordance with the legislative provisions relevant to the Police. They are separate from those applying to local authorities. The Chief Executive and Treasurer of HPA are officers of HCC.

191. HPA pays either a basic allowance or a SRA, but, unlike local authorities, not both. In 2007/08 HPA paid a basic allowance of £9825 to three HCC councillors. Of the other three, two received a SRA of £14,442 each and the third received a SRA of £17,331 as Vice-Chairman of HPA.

New Forest National Park Authority (NFNPA)

192. The NFNPA is an independent organisation operating in a local government framework and funded by central government. In this respect it is different from all the Hampshire local authorities and the Fire and Police authorities. It does not have any direct funding from the Hampshire council tax payers.

193. However, it is similar to Hampshire Fire and Police authorities in that it has no direct democratic accountability, with all of its 22 members being appointed. County and borough/district councils appoint 12, with five coming from HCC, four from New Forest District Council and one each from Salisbury District Council, Test Valley Borough Council and Wiltshire County Council. Six are appointed by the Secretary of State for Environment, Food and Rural Affairs and four from parish councils.

194. The NFNPA has a scheme of members' allowances modelled on local government and has established an IRP. It has a basic allowance of £1674 per annum paid to all five of the HCC councillors who are members of the Authority. None of these five were paid SRAs by NFNPA.

195. Since NFNPA is not funded by Hampshire council tax payers and the amounts of allowances are small compared to others, they have not been included in the individual and average allowance calculations that follow in this report. Attention is drawn to the fact that this is a further area of HCC patronage.

Summary of allowances directly paid by HCC or through HCC patronage in 2007/08 and funded by Hampshire council tax payers

196. When HCC patronage is included in the figures the number of councillors receiving only the basic allowance of £11,565 drops from 43 to 33. The numbers paid more than one allowance increases from 35 to 45, i.e. from 44.9% of councillors to 57.7%.

197. The average pay of councillors rises from £15,924 to £18,132 by including all HCC-generated allowances rather than just HCC ones, an increase of 13.9%. It also alters the pattern of highest earnings for the top ten earners as shown in Table 19.

198. It must be remembered that all the councillors listed in Table 19 are paid these allowances from the same source. The Hampshire council tax payer pays a single bill and as a result of a single election, the County Council election.

199. Legal separation of duties in the county among different bodies and the way that the allowance system operates across all of them means that there is no relationship between the size of the responsibilities of councillor role holders and the allowances they receive. That the leader of the opposition on the council, who is also the Deputy Chairman of Hampshire Police Authority, receives over £3000 more than the HCC Leader cannot be justified, because of the level of responsibilities within HCC and the size and nature of HCC compared with other statutory bodies in the county.

Table 19. Top ten earners by HCC allowances only and by HCC plus patronage allowances

HCC allowances only			HCC allowances plus patronage allowances		
Cllr's name	Main role	Total allow. £	Cllr's name	Main role	Total allow. £
T.K. Thornber	HCC Leader	39,478	A.P. Collett	Dep Chm HPA	43,171
P.G. Banks	HCC Cabinet	28,312	T.K. Thornber	HCC Leader	39,478
C. Davidovitz	HCC Cabinet	28,312	M.F. Cartwright	Chm HFRA	39,269
J.K. Glen	HCC Cabinet	28,312	M.D. Snaith	HCC Cabinet	38,137
F. Hindson	HCC Cabinet	28,312	D.A. Kirk	HCC Cabinet	35,023
M.J. Kendal	HCC Cabinet	28,312	M.J. Woodhall	HCC Cabinet	34,465
D.A. Kirk	HCC Cabinet	28,312	K.G. Chapman	Chm HCC Select Com	32,465
R.J. Perry	HCC Cabinet	28,312	P.R. Hutcheson	Chm HCC Select Com	28,883
M.D. Snaith	HCC Cabinet	28,312	P.G. Banks	HCC Cabinet	28,312
M.J. Woodhall	HCC Cabinet	28,312	C. Davidovitz*	HCC Cabinet	28,312

*All other Cabinet Members not listed above receive the same total allowances of £28,312.

Borough and district council allowances

200. As has been mentioned already, Hampshire has a three-tier structure of local government. The second tier is the borough and district councils across the county. There are 11 of these and there is considerable overlap between county councillors and borough/district councillors. In 2000, 24 HCC councillors were borough/district councillors. By 2008, prior to the 1 May 2008 elections, this had grown to 40 (or 51.3%) of HCC councillors.

201. The borough and district councils are subject to the same legal framework as HCC itself. So they all have their own schemes of members' allowances and IRPs. This is relevant as these are funded by the same council tax payers, out of their single council tax bill (which is actually collected by the borough/district councils and the money distributed to HCC, HFRA, HPA and themselves).

202. These 11 councils have a range of basic allowances from £2445 for Hart District Council through to £6294 for Fareham Borough Council. The average paid in basic allowance to the 40 HCC councillors on these councils was £5139. Of these 40 councillors, 25 received SRAs from the district/borough council they were on. Three of these were Leaders and the highest SRA received was by S. Woodward, the Leader of Fareham Borough Council, and was £18,879. The average SRA received by these 25 councillors was £6334. The average of all HCC councillors' allowances from borough/district councils was £9098.

Overall earnings from Hampshire council tax payers

203. The average HCC councillor is paid £22,797 by Hampshire council tax payers from all allowances. The median is £19,582. Out of 78 councillors only 16 (or 20.5%) are on the basic HCC allowance of £11,565. The other 62 councillors receive a complex mix of basic allowances and SRAs from HCC itself, HFRA, HPA and the 11 borough/district councils in Hampshire. The overall earnings distribution is shown in Table 20, while the top ten earners from allowances are listed in Table 21.

Table 20. Overall earnings from Hampshire council tax payers

Overall earnings from Hampshire council tax payers £	No. of HCC councillors	As a % of the total
11,565	16	20.5
11,566–15,000	2	2.6
15,001–20,000	23	29.5
20,001–25,000	10	12.8
25,001–30,000	11	14.1
30,000–35,000	6	7.7
35,001–40,000	4	5.1
40,001–45,000	2	2.6
45,001–50,000	3	3.8
50,001+	1	1.3
Total	78	100

Table 21. The top ten earners from allowances

HCC allowances only			Total allowances from all Hampshire council tax payer sources		
Cllr's name	Main role	Total allow. £	Cllr's name	Main role	Total allow. £
T.K. Thornber	HCC Leader	39,478	M.J. Kendal*	Ldr New Forest DC	51,221
P.G. Banks	HCC Cabinet	28,312	K.G. Chapman	Cabinet Basingstoke and Deane BC	48,839
C. Davidovitz	HCC Cabinet	28,312	S. Woodward	Ldr Fareham BC	46,563
J.K. Glen	HCC Cabinet	28,312	D. Gillet	Cabinet Havant BC	46,157
F. Hindson	HCC Cabinet	28,312	K. House	Ldr Eastleigh BC	43,292
M.J. Kendal	HCC Cabinet	28,312	A.P. Collett	Dep Chm HPA	43,171
D.A. Kirk	HCC Cabinet	28,312	T.K. Thornber	HCC Leader	39,478
R.J. Perry	HCC Cabinet	28,312	M.F. Cartwright	Chm HFRA	39,269
M.D. Snaith	HCC Cabinet	28,312	M.D. Snaith	HCC Cabinet	38,137
M.J. Woodhall	HCC Cabinet	28,312	D.A. Kirk	HCC Cabinet	35,023

*Also a member of the New Forest National Park Authority with basic allowance of £1,674 in addition to the allowance figure shown above.

Numbers of councillors on more than one allowance from Hampshire council tax payers

204. Of the 78 HCC councillors, 62 (or 79.5%) were on more than one allowance funded by Hampshire council tax payers. This compares with the national and county parliaments and assemblies as shown in Table 22.

205. Looking at HCC in isolation, compared with other shire councils in England, it is not generous in handing out SRAs and pays fewer SRAs than the average. However, when the overall figure of allowances funded by the Hampshire council tax payer is considered, the percentage receiving more than one allowance increases dramatically.

Table 22. Percentages of elected members on more than one allowance

Elected body²²	% of elected members paid allowances in addition to the basic allowance
HCC members from all sources within the county funded by Hampshire council tax payers	79.5
HCC directly from HCC only	45.0
Average for shire councils in England ²³	57.7
Westminster Parliament	18.0
Scottish Parliament	18.0
Welsh Assembly	32.0

How councillor allowances are calculated

206. There is no statutory guidance as to how to calculate council members' allowances and there is no definitive answer. IRPs are left to their own devices.

207. The clearest analysis of how to calculate the basic allowance for councillors has been produced by Dr Declan Hall.²⁴

208. Dr Hall states that the Government has offered advice to IRPs to consider three variables in setting the basic allowance. These are:

(a) Time: What is the time necessary to fulfil the role of an ordinary councillor?

(b) Public service: Panels (he states) are obliged to discount some of that required time as a public service discount, as it is recognised there is an element of public service in being a councillor that should not be remunerated. This is for individual IRPs to calculate.

(c) Worth: What is the remunerated time of a councillor worth?

209. Research has shown that up to three days a week is typical in the largest authorities, and the hours survey of Hampshire councillors supports this with the average backbench councillor saying that they work on average 21.7 hours a week for HCC or nearly three days a week using 7.5 hours to calculate a working day.

210. The public service discount is an unusual feature for calculating remuneration and only seems to apply in councillor earnings calculations and those for the highest political office in the country. It is a variable concept. Some councillors feel that all their time is public service, while others think all their time should be remunerated. This is a very important point. The use of a public service discount depresses the amount of councillor allowances to less than average earnings for working the same amount of time.

211. The range of discounts used varies widely from 25 to 50% according to the Councillors Commission. However, the average for larger authorities is 25 to 33%. Using a discounted two-day figure for Hampshire, as the Independent Panel did in July 2000, gave an effective public sector discount for Hampshire of 20%.

²² The source of information for bodies other than Hampshire is the Review Body on Senior Salaries Report No. 58 'National Assembly for Wales – Review of Pay and Allowances 2004'.

²³ National Census of Local Authority Councillors in England 2006.

²⁴ Independent Remuneration Panels and the Basic Allowance – Considering Methodological Issues in a Political Context. Declan L.G. Hall, INLOGOV and School of Public Policy, University of Birmingham. Dr Hall also co-authored the Councillors Commission Report 'Members Remuneration: Models, Issues, Incentives and Barriers', Department of Communities and Local Government, December 2007.

212. The earnings level used to produce calculations has been typically the average male white collar rate for the area where the authority is located. This then produces a formula:

$$\text{recommended basic allowance} = (\text{time needed for role} - \text{public sector discount}) \times \text{daily rate}$$

213. From looking at the HCC Independent Panel's report of July 2000 they have discounted the councillors' hours down to a figure of two days a week. They assumed the minimum time commitment of an active backbench councillor could not realistically be put at less than 2.5 days a week. Taking two days a week as the discounted time they applied this to an average white collar wage in Hampshire (considered to be £25,000 at the time) and arrived at a basic allowance recommendation of £10,000. This was accepted by HCC.

Comparison of HCC allowances with other comparable local authorities

214. Traditionally, most of the earnings comparisons concerning councillors' allowances made by councils themselves and by IRPs are made with other councils. There are a wide range of councils in England in terms of types and levels of responsibilities, size of population, gross expenditure and revenue.

215. We have taken as the relevant comparator group for HCC the ten largest county councils as measured by population. Hampshire is the third largest county in England. The comparisons for allowances by these ten authorities are shown in Table 23.

Table 23. Comparison of HCC allowances (£) with the nine other largest (by population) county councils in England

	Kent	Essex	Hants	Lancs	Surrey	Herts	Norf'k	Staffs	West Sussex	Notts
Populations ('000s) ²⁵	1395	1370	1271	1175	1086	1066	841	826	776	775
Basic allowance ²⁶	12000	10550	11565	9770	11475	9588	8689	8933	10894	12435
SRAs										
Council Leader	41000	36922	27913	29313	25000	38352	25411	32498	30364	30744
Deputy Council Ldr	26650	27689	16747	20520	16500	28764	16517	24374	21995	21519
Cabinet Members	26650	26377	16747	14664	16500	19176	12705	16249	18886	20496
Ldr Main Opp. Party	20500	8229	14275	18393		6973	12075	16249	13904	20496
Ldr 2nd Opp. Party	0	5064	6847	11784		6101	6532	1625	13904	
Chairman										
Health O and S	9020	10550	13908	7326	10000	9588	3812	7150	8651	12297
Select Committees	9020	10550	11165	7326	10000	9588	3812	6499	8651	10248
Regulatory Committee	13530	10550	11165	8503	10000	9588	5082	6499	8651	10248
Standards Committee	9020		5583					3900		10248
Governance Committee	9020		5583		8000					

²⁵ Office for National Statistics Population Projections (27 September 2007 Revision).

²⁶ Search of county councils' websites under Constitution/Members' Allowances Schemes.

	Kent	Essex	Hants	Lancs	Surrey	Herts	Norf'k	Staffs	West Sussex	Notts
Audit Committee		10550		2644		9588	3812	3900	8651	10248
Vice-Chairman										
Health O and S			3482	3449	3000	7191		2600		7686
Select Committees			2797	3449	3000			2275		7686
Regulatory Committee			2797	3449	3000			2275		6765
Standards Committee			1398							6765
Governance Committee			1398		3000					
Audit Committee		7911						1300		
Spokesmen										
Main Opp. Party	9020		5583	4611		4794	5082			6785
2nd Opp. Party			2797	2694		4794	1906			

216. From the data in Table 23 it is possible to produce some analysis, as shown in Table 24.

Table 24. Analysis of the members' allowances (£) of the ten largest county councils in England

Category	Average	Median	Hampshire	Hampshire's position*
Population	1,058,130	1,075,750	1,271,200	3
Basic allowance	10,590	10,722	11,565	3
Council Leader	31,752	30,554	27,913	8
Deputy Council Leader	22,128	21,757	16,747	8
Cabinet Member	18,845	17,817	16,747	6
Leader of Main Opp. Party	14,566	14,275	14,275	5
Chairman				
Health Overview and Scrutiny Committee	9,230	9,304	13,908	1
Select Committees	8,689	9,304	11,165	1
Regulatory Committee	9,382	9,764	11,165	2

* Relative position in the ten councils: 1 highest, 10 lowest.

217. Using this group of councils as comparators for Hampshire it can be seen that allowances for Hampshire's executive council roles are particularly low, especially that for the Leader. The basic allowance is in exactly the relative position (third) that would be expected for a council of Hampshire's size. The committee chairmen are higher paid (first, first and second) relative to Hampshire's size (third) in this group.

Other earnings comparisons

- Westminster Parliament MP £61,820
- Member of European Parliament £61,820
- Member Welsh Assembly £50,692
- Member London Assembly £50,582
- NHS Primary Care Trust Chair £32,923 (3–3.5 days a week)
- NHS Primary Care Trust Non-Executive Director £7598 (2.5 days per month)

A new Members' Allowances Scheme: recommendations

218. In Hampshire, over time, a large series of complex and unrelated additional allowances has developed for tasks that are relatively small, over and above those expected of an actively engaged backbench councillor.

219. However, it is interesting to look outside the local authority world at some other democratically elected bodies in the UK, most of which are relatively new creations. These have been able to design members' allowances schemes without a legacy of past practice and culture and with the benefit of the best professional advice and resources available in the UK.

220. It is noticeable that the London Assembly, which is based on an aggregate of local authorities, started from scratch in looking at members' allowances. They had statutory access to the Senior Salaries Review Board (SSRB) (not available to local authorities or their IRPs). The SSRB in turn used Hay to evaluate and advise on the allowances for members' posts. They decided to have no SRAs beyond that of the Leader and Deputy Leader. It was only after a number of years of experience that they introduced two more SRAs, one for the Chair of the Metropolitan Police Authority and the other for the Chair of the London Fire and Emergency Planning Authority. They pay no allowances to the Chairs of their other committees.

221. Similarly, the Welsh Assembly²⁷ had a clean start and also had access to the SSRB. They have developed differently to London and pay an allowance to the Chairs of some of their committees, that they call 'subject' committees. Other committees, called 'standing committees' do not pay allowances – these are Audit, Equality of Opportunity, Business, European and External Affairs, Legislation, Standards of Conduct and House.

222. We have had to base our recommendations for a revised HCC Members' Allowances Scheme on the present allowance figures, which in practice are those for 2007/08. An indexed increase to these figures was recommended by the IRP at its meeting in November 2007 and subsequently accepted by HCC for 2008/09. The recommendation was to index up the allowances by the same percentage as was agreed at national level for the local government national pay settlement. This settlement has been considerably delayed and therefore the rates for 2007/08 have continued to apply into 2008/09.

Basic allowance

223. To look at the basic allowance for all councillors one can repeat the methodology used in 2000 to arrive at the original basic allowance.

224. The 'Hall' formula (as used in 2000) is:

$$\text{recommended basic allowance} = (\text{time needed for role} - \text{public sector discount}) \times \text{daily rate}$$

225. This can be calculated using the most recent ASHE²⁸ data, which related to the pay period that included 18 April 2007. It is broken down by county and district council, and for Hampshire the sample size was 239,000 jobs. Taking hourly pay, excluding overtime, for male full-time employee jobs, the mean was £15.51, the median £12.74 and the 75th percentile £18.91. In order to have more current indicators, we have

²⁷ Review Body on Senior Salaries Report No. 58 'National Assembly for Wales-Review of Pay and Allowances 2004'.

²⁸ Annual Survey of Hours and Earnings – November 2007, Office for National Statistics.

uplifted these figures by the Office for National Statistics' Average Earnings Index (excluding bonus payments) for the period April 2007 to April 2008 – a figure of 3.9%. As a consequence, the mean, median and 75 percentile become £16.11, £13.24 and £19.65 respectively.

226. In their remuneration practices both private and public sector organisations tend to favour the use of the median over the mean as it is less influenced by extremely large or small values, which can skew mean (average) calculations of earnings. The median is the point at which 50% of the figures occur. In a list of 25 employees' earnings ranked in order of the highest amount to lowest, the median value is the earnings of the 13th person on the list.

227. We now know that the average monthly hours for a HCC backbencher is 93.9. Taking the median hourly rate of £13.24 and applying say a public service discount of 25% (the lowest end of the range recommended in the ODPM Guidance of 2003²⁹) would produce a basic allowance £11,189 (as at 1 April 2008) compared to the actual of £11,565 (as at 1 April 2007).

228. The HCC allowance occupies third place in the league table of the largest ten shire councils' basic allowances and Hampshire is the third largest county. It is on the high side compared with what HCC would pay its own employees at this level and also the Hay median. This could be explained by the 'public sector discount' effect, but it is not hugely high. We had a number of councillors comment that they thought the present basic allowance was 'about right' and they did not seek an increase in it. Two councillors did express to us the view that the basic allowance should be higher and one of those quantified this by saying 'it should be a couple of thousand higher'.

Recommendation 4 Having considered all the evidence, the IRP recommends no increase in the basic allowance of £11,565.

SRAs

Leader of the Council

229. The role of Leader of the Council has by far the greatest level of responsibility of any of the councillor roles. The role must bear the highest level of responsibility for the effective conduct of the council's affairs and its future strategy. The role calls for qualities of the highest order. The present SRA for the Leader is £27,913 (plus the basic allowance of £11,565); the overall remuneration is £39,478.

230. One way used to calculate and measure the allowance of the Leader of a council is to express it as a factor (multiple) of the basic allowance paid to every councillor. This has become more popular among councils,³⁰ and three is the multiple most frequently used. For Hampshire a factor of 2.5 to the basic allowance was originally recommended by the Independent Panel in July 2000. If this factor had been maintained the present Leader's allowance would be £28,913, instead of its actual value of £27,913 (or a factor of 2.41). The comparative factors for the ten largest shire counties in England (by population) are shown in Table 25.

²⁹ New Council Constitutions: Local Leadership, Local Choice. Guidance on Consolidated Regulations for Local Authority Allowances, July 2003. Office of the Deputy Prime Minister.

³⁰ Members Remuneration: Models, Issues, Incentives and Barriers. Dr Declan Hall, Sir Rodney Brooke, School of Public Policy, University of Birmingham. Councillors Commission, December 2007.

Table 25. Leader's allowance as a factor of basic allowance for comparator shire counties

Kent	3.42	Hertfordshire	4.00
Essex	3.50	Norfolk	2.92
Hampshire	2.41	Staffordshire	3.64
Lancashire	3.00	West Sussex	2.79
Surrey	2.18	Nottinghamshire	2.47

231. The average of these factors is 3.03 and the median is 3.00. If 3.0 were used for Hampshire it would give a Leader's SRA of £34,695, compared to an actual of £27,913.

232. In our survey of the ten largest shire counties Hampshire came ninth out of the ten for payment of its Leader, compared to it being the third largest of these. If the Hampshire Leader was paid according to the county's position in the league table of size it would be paid in the region of £37,000 SRA.

233. We have a Hay evaluation for this post. The score puts it into the range of HCC Chief Officers' salaries, which were not made available to us. All that can be said is that it would be paid well in excess of £80,000 if it were a HCC employee's post. The Hay median for this post in the public sector is £107,649. With the Leader's post paid a present total of £39,478, this represents an effective public service discount against the Hay median of 63%. This is more than twice the level of the average public sector discount applied by councils to the basic allowance.

234. The present Leader is clearly very able and widely respected. He has led the council to the highest rating of performance awarded by the Audit Commission over many years.

235. Cllr Thornber says in a HCC press statement of 22 May 2008:

'My response to the review is that the Cabinet and I are not seeking increases in our allowances. I would also say that the vast majority of Hampshire's councillors would not seek an increase to the basic allowance that all members receive.'

236. While this is undoubtedly true, the views expressed to us are only one element, albeit an important one, in our considerations. We also have to look objectively at the evidence and data about roles. This suggests an overwhelming case, in our view, that the role of Leader should be paid a higher SRA. If this post remains hugely undervalued, in the long term it will be unable to attract to it a person of the calibre essential for its success and the maintenance of Hampshire as a high performing county. It is in the interests of all council tax payers to have a person of the right calibre to undertake this vital role.

237. Having considered all the above, we prefer to take a factor approach to the SRA for the Leader and use the median factor of three, calculated from the ten largest county councils, as a multiple of the present basic allowance of HCC, i.e. 3 x £11,565 = £34,695.

Recommendation 5 We therefore recommend that the SRA for the Leader's post is increased to £34,695 on a phased basis by £1696 per annum for the next four years starting in April 2009. In addition, these figures should be appropriately adjusted to take into account any annual indexation increases over the period. By this means the HCC SRA for Leader will reach an amount equal to three times the basic allowance for HCC. This will then place the HCC Leader's SRA in fourth position out of the ten largest county councils.

Deputy Leader

238. The Deputy Leader has an important role, as the July 2000 report stated, of understudy and support to the Leader. As recommended in the July 2000 report it has been combined with one of the lighter Cabinet posts and paid the same as the other

Cabinet posts. We have had some difficulty in examining this role. A similar difficulty was commented on in the Review Body on Senior Salaries report on the Greater London Authority³¹:

'The role of Deputy Mayor is a difficult one to evaluate. Its responsibilities are dependent on the wishes of the Mayor, and are likely to vary from one combination of Mayor and Deputy to another.'

239. In our view, it is the same for HCC. The role holder has very recently changed. Some democratic bodies, and Greater London is one, do pay an additional allowance to the Deputy Leader, higher than any other except the Leader's. With the previous Deputy Leader the role carried out did not appear to have sufficient additional responsibilities to warrant separate treatment from other Cabinet Members. The present situation is too new for us to be able to comment.

Recommendation 6 We recommend that the Deputy Leader role continues to be combined with that of a Cabinet Member and is paid the same as other equivalent Cabinet posts. We also recommend that this post is subject to a further review by the IRP in two years' time, when a clearer view can be taken of its responsibilities as they have evolved with the present role holder.

Cabinet Members

240. Almost all the executive responsibilities for the council flow from the Leader to the members of the Cabinet (two exceptions are planning responsibilities and the River Hamble Harbour Board). These posts carry a large responsibility.

241. The first issue to be considered is whether all these posts should be paid the same SRA or whether there should be a SRA range and different levels of SRA to reflect different role sizes. The UK Government for its Cabinet adopts the latter approach, most of local government in England, the former approach. The HCC Independent Panel report of July 2000 said on this issue:

'We do not discriminate between members of the Cabinet in terms of the relative weights of their respective portfolios, not only because we do not have sufficient details or evidence on which to do so, and partly because we believe that the cabinet will wish to share collective responsibility for its actions and this should be reflected in the remuneration structure'

242. Obviously time has moved on from when that report was written and there is now sufficient evidence about these roles. In our view the largest role is the Executive Lead Member for Children's Services, which is the only Cabinet role that is required by statute. The next largest two roles are the Executive Member for Adult Social Care and the Executive Member for Children and Families. There has been a recent reorganisation of the Cabinet, leading to a reduction in posts of one, to give a Cabinet size of nine people instead of the previous ten. The responsibilities of these larger three posts have not been altered by this change. The largest direct responsibilities of the council flow through these three posts and they are responsible for the lion's share of the resources of the council both in terms of money and people.

243. A good case can be made out for these three posts to be paid a higher SRA than the other members of the Cabinet. One of the largest shire counties, Lancashire, pays four of its Cabinet posts at £15,771 and four at £13,557. However, this is the only one of the shire counties we researched that took this approach.

³¹ Review Body on Senior Salaries Report No. 61, Greater London Authority: Review of pay, expenses, pensions and severance arrangements for the Mayor of London and London Assembly Members 2005.

244. There are three basic arguments against the approach. One is that it goes against the feeling of collegiality mentioned in the original HCC Independent Panel report of July 2000. The second is that it can inhibit the Leader of the Council's ability to be able to move Cabinet Members between different Cabinet posts. The third is that it could inhibit the Leader in moving responsibilities between the portfolios of existing Cabinet Members for fear of altering job size that might lead to a reduction in SRA for a Cabinet Member.

245. On this general issue, the Leader of the Council said to us that he had a strong preference to remain with the present system of all Cabinet Members receiving the same SRA.

246. During our process of consultation, no council tax payer or councillor commented on this issue.

247. While the natural instincts of the IRP would be for the amount of SRAs within the Cabinet to follow the level of responsibilities, we did not feel strongly enough about it to recommend a change to present practice and therefore have considered the SRA for Cabinet Members based on a single rate.

248. We would expect those posts with the heavier responsibilities to be full time. Clearly not all are full time, as more than one member combines their HCC responsibilities with posts in other public authorities in Hampshire. Cabinet Members receive the basic allowance of £11,565 and a SRA of £16,747, making a total of £28,312. If Cabinet Members work full time on their HCC responsibilities, this is all that they receive. If this is a part-time role, the full-time equivalent salary for it would be £45,660 (the FTE of the basic allowance is £28,913 + the Cabinet SRA of £16,747). It is difficult to be precise about these calculations and they crucially depend on the assumptions made about the hours necessary to do the job.

249. We have evaluated Cabinet Members' posts using the Hay role profile methodology. This level of post, if it were within the HCC own employees' structure, would be on grade I with a salary range of £47,409 to £54,960, with the possibility, based on performance, to get to an absolute maximum of £58,308. The Hay public sector median base salary for this level of post is £60,740. If it is essential that a Cabinet post is full-time, the real level of 'public service discount' against the public service median pay for a Cabinet post is 52%. If the post is part-time the 'public service discount' is 25%.

250. Compared with the other largest shire councils the SRA for Cabinet Members in Hampshire is low. The average is £18,845 and the median is £17,817. To move the Cabinet Members to a SRA to be third (i.e. the same as Hampshire's relative size compared to other shire counties) would require a SRA of around £20,500.

251. The ODPM guidance of 2003³² suggests that a way of calculating other responsibility allowances is to rate them as a percentage of the Leader's allowance. This is a quick, transparent and easily understood means of determining other SRAs. It is one which some other councils use and it is one which we favour. Our broad approach therefore to this and other SRAs is to determine it as a percentage of the Leader's allowance, taking into account all the evidence and using our own judgement and experience. We have used this percentage approach on an approximate basis on occasions rather than necessarily seeking absolute mathematical accuracy. We have looked at the Cabinet SRAs for the largest ten county councils as a percentage of their Leader's SRA. The mean is 59% and the median is 61%. The existing percentage for Hampshire is 60%.

³² New Council Constitutions: Local Leadership, Local Choice. Guidance on Consolidated Regulations for Local Authority Allowances July 2003. Office of the Deputy Prime Minister.

252. Whatever relevant measure is used, the SRA for Hampshire Cabinet Members is too low and in our view incompatible with the level of responsibilities held.

253. We feel that the SRA for HCC Cabinet Members should be 60% of that of the Leader. With our recommended SRA for the Leader of £34,695 this will give a SRA for Cabinet Members of £20,817.

Recommendation 7 We therefore recommend that the SRA for Cabinet Members is increased to £20,817 on a phased basis by £1018 per annum for the next four years starting in April 2009. In addition, these figures should be appropriately adjusted to take into account any annual indexation increases over the period. We recommend the same allowance is applied to the Deputy Leader's post, maintaining the same relationship as presently exists.

Leaders of the opposition parties

254. The role of leader of the main opposition party is significant where a party has 25% or more of the total number of councillor seats. Effective opposition is a vital part of the checks and balances that exist in a healthy democracy. The main opposition party should robustly, but fairly, on behalf of all the electorate of the county, challenge the strategy, policies and budget of the council and subject to scrutiny the actual performance of the council in all areas. This is made all the more important where all the chairs of all committees, including scrutiny, but excepting Standards, are in the hands of the majority party. The change of the chair of Standards to an independent one is recent, brought about by legislative change rather than any voluntary action by the ruling party. The council describes the role of the scrutiny committees as the 'critical friend' to the executive. In practice, how much of the role is 'critical' and how much it is a 'friend' can be debated. What is clear is that the main responsibility for scrutiny, both inside and outside these committees, falls on the main opposition party and the effectiveness of its organisation by its leader is key.

255. We had available to us the pay data on the principal opposition leader of nine of the ten largest shire counties. The average paid was £14,566, though we do not know how this relates to the strength in terms of seats held on each of those councils. The range was from the top two paying £20,500 down to the lowest paying £6973. There was no relationship between size of councils and the amount paid, with the smallest council being one of the highest payers. The key variable is likely to be the number of seats held by the principal opposition party.

256. We have used the Hay role profile methodology to evaluate the role of Principal Opposition Leader, and if it was a HCC job it would come into the salary range G with a minimum of £34,539 and a maximum for exceptional performance of £42,474. The Hay public sector basic median is £43,286. We have assumed that this post can be done on a part-time basis, as the present job holder combines it with being Deputy Chairman of Hampshire Police Authority. The present SRA for this post is £14,275, which together with the basic allowance combines to make a total of £25,840 for this part-time role. We calculate the full-time equivalent for this role as £43,188. This is slightly above the maximum that HCC would pay for this post for one of its own employees. It is very close to the Hay public sector median for a post of this job size.

257. The HCC Independent Panel in 2000 took a formulaic approach to the calculation of SRAs for the allowances of the two leaders of the opposition parties. They recommended an allowance with a base of £2500 plus £350 for each councillor in their group including themselves. At the time the Liberal Democrats had 22 seats and Labour 8, in the then council of 74 seats. This gave the Liberal Democrats' leader an allowance at that time of £10,200 and the Labour leader an allowance of £5300.

258. On 22 March 2002 the IRP heard representations to increase the allowance for the Labour leader compared to the Liberal Democrats' one. A recommendation went from the IRP to the Standards Committee on 15 July 2002 and it agreed the following:

'That the special responsibility allowances for the Leaders of the Opposition Parties be calculated on the basis of a standard allowance of £5,000, plus £275 for each County Councillor on the Group, the increase in allowance for the Leader of the Second Opposition Party to be backdated to 1 September 2001 both allowances to be increased for inflation on the basis set out in (ii) above.'

259. This increased the allowance for the Liberal Democrat leader from £10,200 to £10,225 and the Labour leader from £5300 to £7475.

260. Since then there has been both further general indexation of SRAs each year and a general council election in 2005. That election saw the Liberal Democrats increase to 28 seats and the Labour Party reduce to four seats. It is not clear to us exactly how this combination of indexation and change in number of seats has worked, but the SRAs for 2007/08 are £14,275 for the Leader of the Liberal Democrats and £6847 for the Leader of the Labour Group. It would appear that the present allowances are based on those of the principal opposition party spokesman plus around £310 per member.

261. We think for these two posts that the formulaic approach based on the number of seats is correct and have no basis on which to suggest a change of practice in relation to the leader of the principal opposition party, the Liberal Democrats.

262. With regard to the Leader of the Labour Group we wondered as to whether any SRA could be justified for a leader with a party as small as four seats. Some other councils would not pay one. Norfolk County Council, for example, has a policy of not paying any SRAs to a party with less than 10% of its 84 council seats. On the other hand it could be argued that 16.08% of the electorate voted for Labour in the Hampshire county as a whole in the 2005 election and that therefore the Leader of the Labour Group should have a SRA. On balance we have decided to recommend that this SRA should remain as it is, but be subject to review following the results of the May 2009 HCC elections.

Recommendation 8 We therefore recommend that the SRAs for these two opposition party leader posts continue unchanged and the formulaic approach continues as at present. We recommend that the SRA of the political party with the smallest number of seats is reviewed after the May 2009 elections.

Chairmen of scrutiny committees

263. In HCC the scrutiny committees look at council decisions, policies, or at 'best value'. Confusingly they are called Select Committees by HCC. There are five committees that primarily focus on county council issues:

- Policy and Resources Select Committee
- Environment and Transportation Select Committee
- Children and Young People Select Committee
- Safe and Healthy People Select Committee
- Culture and Communities Select Committee

264. The role of each committee, as described in HCC's constitution is:

- (a) to act as critical friend to the Executive in its roles of decision making, performance management and direction setting;
- (b) to review the impact of decisions and policy;
- (c) to support the Executive in policy development;
- (d) to undertake internal and external reviews incorporating Best Value principles.

265. Within their scope, Select Committees will:

- (a) review and scrutinise decisions made, or actions taken, in connection with performing any of the Council's functions;
- (b) make reports or recommendations to the full Council, the Executive, or any Policy or Joint Committee, in connection with performing any function;
- (c) consider any matter affecting the area or its citizens;
- (d) exercise the right to call in, for reconsideration, decisions made but not yet implemented by the Executive or any Select or Joint Committee.

266. Select Committees may:

- (a) review and scrutinise Executive or Committee decisions, service delivery and performance;
- (b) review and scrutinise the Council's service delivery and performance, performance concerning its policy objectives, performance targets and particular service areas;
- (c) question members of the Executive or Committee and Chief Officers about their decisions and performance; whether compared to service plans and targets, or related to particular decisions, initiatives or projects;
- (d) make recommendations to the Executive, appropriate Committee or Council arising from the scrutiny process;
- (e) review and scrutinise the performance of other public bodies in the area (including matters relating to the health service in line with Section 21 of the Local Government Act 2000); invite reports from them by asking them to address the Policy and Resources Select Committee; and, if appropriate, address the community about their activities and performance;
- (f) question and gather evidence from people or organisations that can inform the scrutiny process.

267. We consider the scrutiny committee chairmen are already paid a high allowance at £11,165 when their actual responsibilities are compared with other councils (they are the highest paid of the ten largest shire counties). Following on from our approach outlined above of, where possible, describing SRAs as a percentage of the Leader's proposed SRA, we think the appropriate percentage as a guide for these roles is 33% of the leader's SRA. Using this would give a higher figure than the present allowance of £11,165. However, we do not believe this can be justified at present by the other comparisons we have made.

Recommendation 9 We recommend no change to the level of the SRA for scrutiny committee chairmen at £11,165.

Chairman of the Health Overview and Scrutiny Committee

268. The Health Overview and Scrutiny Committee (HOSC) is a scrutiny committee with a difference. The Health and Social Care Act 2001 introduced the specific power of health scrutiny for English local authorities with a social service function. This enables local authorities to scrutinise the operation of the health services in its area and make reports and recommendations to NHS bodies. Health scrutiny also focuses on improving local health services and reducing health inequalities, not just scrutinising NHS services.

269. This is an important committee and, in our view, more important than the other scrutiny committees. Health provision is of vital importance to the residents of the county. This committee is a key means of enabling health provision in the county to be

subject to public scrutiny and democratic accountability. It is right, in the opinion of the IRP, that it should receive a higher payment than the chairmen of the other scrutiny committees, which it does at £13,908. This is already the highest paid Chairman of HOSC of the ten largest shire counties we researched and is 49% higher paid than the median of £9304 for this post in those counties. We do not have a separate Hay score to be able to compare this post with HCC employees or the Hay public sector database. We believe that the continuing percentage basis for this SRA should be 40% of the proposed Leader's SRA, which is very close to the existing allowance.

Recommendation 10 We recommend the SRA of the Chairman of the Health Overview and Scrutiny Committee of £13,908 continues unchanged.

Chairman of the Regulatory Committee

270. The Regulatory Committee has full delegated authority from HCC to determine planning applications on its behalf. These matters must be dealt with by the Regulatory Committee and cannot be dealt with by the Cabinet. Planning application processing takes place at different levels in the democratic structure of the county with the majority of planning responsibilities at district/borough level. The county council level responsibilities are primarily concerned with issues of mineral extraction. The Regulatory Committee also has responsibility for Rights of Way and some miscellaneous functions as set out in the relevant part of the County Council's constitution.

271. Non-controversial HCC planning applications are dealt with by the Director of Environment under delegation arrangements set out in the Development Control Charter.

272. The Regulatory Committee divides its responsibilities into two groups. Planning and matters to do with Rights of Way come under Regulatory Committee A. This has met on 70 occasions since September 2001 and meets nine or ten times a year.

273. Regulatory Committee B is, in practice, a group of councillors who are available to sit on a number of panels and appeal bodies. These are the Explosives Panel, the Pensions Appeal Panel, the Schools Transport Appeals Panel, the Social Care Panel and the Staff Disciplinary Appeals Panel. None of these has a permanent chairman and a chairman is appointed from within the panel itself for each meeting. In the view of the IRP, the question of a SRA for the chairman of these does not arise.

274. We have carefully considered the responsibilities of the Chairman of the Regulatory Committee compared with the other councillor roles within the HCC Members' Allowances Scheme. It presently has an allowance of £11,165, which is the same as paid to the chairmen of the scrutiny committees. In our paired comparison exercise of this role we evaluated it more highly and equal to the Chairman of the Health Overview and Scrutiny Committee (HOSC). We believe that the SRA for this post should increase to the same as that of the HOSC Chairman.

Recommendation 11 We recommend that the SRA of the Chairman of the Regulatory Committee be increased from £11,165 to £13,908 with effect from the end of April 2009.

Vice-chairmen of committees

275. Many of the HCC committees have a vice-chairman. All five of the scrutiny committees do, as do the Health Overview and Scrutiny Committee, the Regulatory Committee, the Standards Committee and the Governance Committee. All these are eligible to receive a SRA. For the scrutiny committees and Regulatory this is £2797 per annum. For Health Overview and Scrutiny it is £3482, for Standards it is £1397 and for Governance it is £1398 per annum.

276. Three of the Hampshire Action Teams (HATs – see below) are also chaired by role holders called ‘vice-chairmen’. These are East Hampshire, Havant and Winchester HATs. We regard these as chairmen of these HATs. We have disregarded them from our consideration of the others called ‘vice-chairmen’. They are presently paid no SRA.

277. We carried out a survey of all the meetings of these committees between May 2005 and May 2008. We could only find seven occasions when these had not been chaired by the nominated chairman. This works out at a rate of the vice-chairman having to chair the committee less than once every three years. Also we were not able to find any evidence from our consultation with councillors or from attending meetings or examining minutes that the vice-chairman did anything beyond that of being an actively engaged committee member. At one of the committee meetings we attended the vice-chairman was absent.

278. We would expect all committee members of a particular committee to be up to date and well briefed on the issues facing a committee and its workload. We would expect that in the unavoidable absence of a committee chairman any of the other councillors present, upon agreement of those present, should be able to assume the Chair. It has become traditional in local authority culture to have both chairmen and vice-chairman for every committee and to pay them both allowances. In the view of the IRP this is not a good enough reason to continue paying SRAs that cannot be justified by an identifiable level of workload and responsibility.

279. We would expect if a chairman of a committee was on long-term absence of more than six months due to ill health that a committee would appoint an acting chairman and that HCC in these circumstances would pay the acting chairman the chairman’s SRA.

280. The IRP of another shire county did comment on this same issue:

‘Compared to other SRA jobs, the Panel believes the “additional responsibilities” of a Vice Chairman are comparatively minor and vary considerably.’

281. The Leader of HCC said to us the role of vice-chairman provided a potential development opportunity for councillors and he believed that some of them may contribute by chairing working parties. While we can see both these possibilities for the role of vice-chairman and believe that the use of the designation can and should continue to be used as required, the IRP believes that to continue these SRA payments for vice-chairmen cannot be justified or be value for money for the Hampshire council tax payer. There is one exception to this, the Vice-Chairman for HCC itself, which is considered separately.

Recommendation 12 We recommend that all SRAs to vice-chairmen of committees be discontinued as soon as possible and not later than the end of April 2009 with the election of a new council.

Main opposition party spokesmen

282. The July 2000 Independent Panel report said:

‘We believe that the proper performance of these roles [opposition spokesmen] is important to the local democratic process, and its importance will increase with a move to a new style of internal governance, particularly with the proposed recruitment of the scrutiny committee chairs exclusively from the majority party ... We believe that the principal opposition party is obliged to provide a coherent opposition across the board, and that this special duty should be reflected in the payment of allowances to their spokesmen’.

283. The present IRP agree with these comments. We have witnessed scrutiny committees where almost all the scrutiny questions and discussion have been raised by the Liberal Democrat Party spokesmen supported by other party members. The six

Liberal Democrat spokesmen are paid an allowance of £5583 per annum, in addition to their basic allowance of £11,565.

284. One of these is a party spokesman for the Regulatory Committee. The SRA for this post was only introduced in 2006, without reference to the IRP and in breach of the statutory regulations. It was not a recommendation in the original July 2000 report. We feel that the Regulatory Committee is exercising an executive function on behalf of the council within a defined statutory framework. We do not believe it appropriate to have party spokesmen for this committee. From time to time important issues will arise which require party members for any of the three parties to brief their party. This will be the exception rather than the norm and we do not believe it requires the payment of a SRA, any more than it is necessary to have party spokesmen who are paid SRAs on the River Hamble Harbour Board.

285. We only have data on the SRA levels of the main opposition party spokesmen for six out of the top ten shire counties. The range is from £4611 to £9020, the average paid is £5979 and the median is £5333. We do not have a Hay evaluation for this post and are therefore unable to compare it with HCC employee jobs or with the Hay public sector median.

286. Having examined the above data and considered the relativities of these roles with other roles within the HCC Members' Allowances Scheme, and following the percentage approach outlined above, we recommend that this SRA be half the rate for Scrutiny Committee Chairs, i.e. 16.5% of the Leader's proposed SRA as a guide percentage. This comes out close to the existing figure.

Recommendation 13 We recommend that no change is made to the SRA of £5583 for the party spokesmen for the principal opposition party.

Recommendation 14 We recommend that the SRA for the principal opposition spokesman on the Regulatory Committee be discontinued as soon as possible and not later than the end of April 2009 with the election of a new council.

Minority opposition party allowances

287. The Labour Party is at present the minority opposition party, with four seats or 5.1% of the total council seats. All its members are presently paid allowances. The leader receives a SRA of £6847 (discussed above) and the other three Labour councillors, who act as spokespersons on different subjects, receive £2797 each. This is explicitly against the recommendations of the HCC Independent Panel report of July 2000 which states:

'We need therefore to guard against the possibility of all members of a small minority party being awarded a special responsibility allowance'

288. At the time that report was written in 2000 there were eight Labour members out of 74, i.e. 10.8%. The present IRP is of the opinion that no SRAs for party spokesmen should be paid to any minority party that has less than 10% of council seats. We came across one county, Norfolk, that has a similar policy and will not pay any SRAs to an opposition party with less than nine seats.

289. The July 2000 report went on to say:

'We do not recommend special responsibility allowances for members, other than the leader, of the second opposition party. We believe that the principal opposition party is obliged to provide a coherent opposition across the board, and that this special duty should be reflected in the payment of allowances to their spokesmen. That obligation does not rest with the second opposition group, and the functions of their spokesmen (presently reflected in a special responsibility allowance of £440 per annum) should be adequately rewarded in the enhanced basic allowance that we are recommending.'

290. The present IRP would endorse that comment.

Recommendation 15 We recommend that, as soon as practically possible, all the SRAs paid to party spokesmen of the minority opposition party be discontinued and not later than the end of April 2009 with the election of a new council.

Chairman of the Standards Committee

291. The Authority is obliged to have a Standards Committee. This committee is concerned with promoting and maintaining high standards of conduct by councillors, co-opted members, and Church and Parent Governor representatives. It advises the council and others on the members' Code of Conduct and procedural matters. It deals with individual complaints about conduct of those covered by the code that are referred to it and has some other duties.

292. The Standards Committee is composed of six councillors (the Leader is ineligible to sit), and at least two independent people who are not councillors or officers of the council, or of any other body having a Standards Committee (Independent Members). The Independent Members are entitled to vote at meetings and the minimum quorum for a meeting to take place is three, at least one of whom must be an Independent Member. Representation on this committee is not required to bear the same proportionality as the political composition of the whole council (Section 53(10) Local Government Act 2000).

293. There have been two recent significant changes brought about by legislation in the way that this committee operates. The first change is that Standards Committees must now be chaired by an independent member, not by an elected councillor.

294. The second change is that any complaints that a council member has breached the Code of Conduct will now go to local Standards Committees. Prior to 8 May 2008, the process was that all complaints went to the Standards Board for England. The Standards Board reviewed the complaint and decided whether there was a potential case to answer, and, if so, whether it should then be passed back to the local Standards Board for investigation, or (more unusually) whether the complaint was sufficiently demanding that the Standards Board should conduct the investigation itself. From 8 May 2008, local Standards Committees have to conduct this 'sifting' process themselves, setting up a sub-committee (also chaired by an independent member) to do this function. The potential outcomes are the same (no case to answer, local investigation, or in unusual circumstances referral to the Standards Board for England).

295. Should the Standards Committee decide that there is no case to answer, the complainant has the right of appeal. The local Standards Committee has to conduct the appeal, using a different sub-committee (again chaired by an independent member) composed of members who were not involved in the original 'sifting' process that decided there was no case to answer.

296. Where cases are referred to the local Standards Committee for investigation, the process is the same as it was before 8 May 2008; an investigation is conducted by a council Monitoring Officer (or his/her appointee), and the Standards Committee conducts a formal public hearing into the complaint. If the Committee finds that there has been a breach of the Code of Conduct, it decides on any action to be taken against the offending member.

297. The Standards Committee has met 20 times since October 2001, an average of three times a year. There were no meetings between July 2007 and July 2008 and then the Committee only met to consider the legislative changes.

298. Potentially, these changes could result in more work for local Standards Committees. For the past three years, under the previous regulations, the Standards Board for England decided not to refer for further investigation between 75 and 80% of

the complaints submitted to them. Now that the 'sifting' work has passed to local Standards Committees, there is clearly the potential for the average committee to receive some four or five times more complaints than they had previously. It is not known how this will affect HCC; it is known that the HCC Standards Committee has had to consider two complaints referred to it by the Standards Board since March 2006.

299. The question of a SRA for the Standards Committee Chairman and Vice-Chairman was considered previously by the IRP in 2002 and it recommended against any SRAs for either of these posts. The council, as it is entitled to do, introduced SRAs for both. The current values of these are £5583 for the Chairman and £1397 for the Vice-Chairman. If the IRP was considering these allowances again as the posts had been, our recommendation would have been the same as before, i.e. we would recommend no SRA be paid.

300. However, the appointment of an independent chairman and the revision of operating procedures changes the situation. The independent chairman, unlike HCC councillors, is not in receipt of a basic allowance of £11,565. Independent Members of the Standards Committee receive their own basic allowance of £650 per annum, which at an average of three meetings a year equates back to £217 a meeting. In view of the potential workload of the committee and the new independent chairmanship one way forward may have been to have a daily rate for both Chairman and Independent Members. However, this would be seen as a reversion to attendance allowance, so we are unable to recommend it.

301. There is not a great deal of evidence of how other authorities have reacted to this change. Surrey is paying £40 an hour to the Independent Member chairing their Standards Committee. Hertfordshire is paying £1438 per annum inclusive, and Norfolk is paying £3177 inclusive. Regrettably HCC did not even consider the potential implications of the changes to the Standards Committee in relation to the SRAs for the Chairman and Vice-Chairman and have continued to pay the previous allowances (£5583 for the Chairman and £1397 for the Vice-Chairman) without any reference to the IRP.

302. Having given this careful consideration we consider it appropriate to have a SRA for the Chairman of the Standards Committee of three times the basic allowance for the Independent Members of the Standards Committee (i.e. £1950), in addition to the basic allowance, making a total of £2600. In line with our Recommendation 12 concerning vice-chairmen, we do not believe there should be any SRA for the Vice-Chairman of the Standards Committee.

Recommendation 16 We recommend that the Independent Chairman of the Standards Committee be paid a Special Responsibility Allowance of £1950 (with the basic allowance for Independent Members of the Standards Committee being in addition) with effect from the date of his formal appointment.

Recommendation 17 We further recommend that the basic allowance for the Independent Members of the Standards Committee remains unchanged at £650 per annum. We also recommend that these are reviewed by the IRP in two years' time to examine the actual operation of the Standards Committee over that period and to make a further recommendation to the Council.

Governance Committee

303. The Governance Committee is composed of five members, who are the leaders of the three political groups on the council and two additional members appointed by the council. It has a variety of functions that are concerned with audit and with monitoring the rules, processes and behaviour that affect the way that governance is exercised within the council. The Governance Committee is the first body to consider reports of the IRP, and it then makes recommendations to the council concerning them.

It also considers reports from the Pensions Panel and has powers under certain circumstances to approve the council's Statement of Accounts.

304. From December 2004 to the present, this committee has had 16 meetings and is averaging 4 or 5 meetings a year. We cannot foresee any circumstances where this committee would not be chaired by the Leader of the Council, as it always has been. There is an allowance fixed for it of £5583, which in practice has never been paid due to the council rule of only one SRA (the higher) being paid to one councillor. There is also an allowance for the Vice-Chairman of £1398, which has been paid for periods of time.

Recommendation 18 We recommend that the allowances for both the Chairman and the Vice-Chairman of the Governance Committee be discontinued as soon as possible and not later than the end of April 2009 with the election of a new council. We further recommend that in the unavoidable absence of the Leader of the Council this committee be chaired by the Deputy Leader of the Council.

Hampshire Action Teams (HATs)

305. HATs are a recent innovation by the county council. The council found that while some residents thought of the council as helpful and efficient, others saw it as remote, impersonal, faceless and bureaucratic. HATs are a move to bring the work of the county councillors to a more local level where they can focus together on their local areas and communities. These started in 2007 for a trial period of two years.

306. All councillors are members of the HAT that covers their constituency. The role of the HAT would appear, in part, to duplicate and reinforce the role of a backbench councillor. Their purpose is to enhance democratic accountability by supporting councillors in their capacity as community leaders and by enabling HCC to be more locally responsive and visible.

307. There are seven HATs covering the county: Basingstoke and Deane, Eastleigh, Fareham and Gosport, Hart and Rushmoor, New Forest, Test Valley, and a further HAT called East Central. East Central itself consists of three HATs: East Hampshire, Havant and Winchester. East Central has only met as a single HAT twice, so in practice the county is operating nine HATs.

308. Each HAT is given discretion to determine its own priorities based on the needs, issues and opportunities in its local area. Some of the consistent activities between them are seen as:

- keeping a watching eye on whether county council services in the area are meeting local needs;
- ensuring any prospective service changes in the HAT area are well consulted upon and planned;
- recommending to executive members local priorities (e.g. which highways projects should be prioritised for the area);
- undertaking various activities to engage with the local community and ensure it is working on local priorities.

309. They seem to fulfil a number of different purposes: partly the role of a backbench councillor, partly two-way communications between executive Cabinet Members and local areas, partly local consultation, partly scrutiny and partly promoting communications and collaboration with other organisations at local level in the county. They have no executive responsibility. Each HAT has a chairman (described as a vice-chairman in the case of the three HATs that form East Central). They meet 11 times a year within the area they serve.

310. In our consultation no member of the public mentioned HATS, which is not surprising since members' allowances was the focus of our consultation rather than

HCC organisational matters. A number of councillors did express views to us about HATs, which ranged from enthusiasm for them to considering them a waste of time. These comments seemed to be more their view of the effectiveness of the chairman of their particular HAT rather than a general comment about HATs themselves.

311. The chairmen of HATs are not paid a SRA. Only one of the 67 responses we received from our general councillor consultation suggested that they should be.

312. HCC did not refer the question of a SRA for the chairman of HATs to the IRP under the Members' Allowances Scheme Regulations, presumably to allow the two-year trial to take place and then to reach a decision about their future.

Recommendation 19 For the time being no SRAs should be paid to the chairmen of HATs. If HCC decides to continue with HATs beyond the present trial period the IRP will consider the case for a SRA for the chairmen of HATs at that time.

e-champion

313. A number of councils have adopted the 'champion' style of role designation at both councillor and officer level. This can be very useful in providing a means of focusing and promoting certain activities or issues. Some councils have moved to having children's and old people's champions.

314. HCC has a well-developed e-strategy. In 2003 HCC decided that it would be appropriate to have an e-champion. This was considered by the IRP in 2003, who did not feel this appointment merited a SRA. However, the council decided to proceed with a SRA for this role and this is currently £2797 per annum.

315. e-management is of fundamental importance to the council, but this role has no executive or scrutiny responsibilities. The IRP was unable to detect any responsibilities or workload of this role that could not reasonably be expected of an actively engaged backbench councillor. As can be seen from the backbench councillor job description, councillors are expected to undertake a wide range of duties as an integral part of their role. We do not believe that the designation of someone as 'champion' should automatically bring with it a SRA.

Recommendation 20 We recommend that the SRA for the e-champion be discontinued as soon as possible and not later than the end of April 2009 with the election of a new council.

Chairman – River Hamble Harbour Board (RHHB)

316. The chairmanship of RHHB has relatively recently been separated out of the responsibilities of the Executive Member for the Environment.

317. This post has executive responsibility for the management of the harbour. RHHB has an annual turnover of approximately £700,000 and employs six people. The Board's responsibilities include:

- an important health and safety aspect to managing the harbour, in relation to training and monitoring users;
- provision of an inshore rescue service for people who get into difficulty;
- overseeing a Harbour Management Committee, which reports to the Board; this embraces all the local authorities and other interest groups and is also attended by the chairman of the Board;
- responding to leisure and business interests based on the harbour, which are vocal and powerful;
- ensuring that planning regulations are enforced and being a statutory consultee on planning issues.

318. The Harbour Board meets six times a year and the Management Committee four times a year.

319. The Chairman of RHHB attended and presented a case to the IRP for a SRA for this post in November 2007. The IRP decided at that time to recommend a SRA of £2729 on an interim basis pending this review. HCC decided to take no action on this until this review had been undertaken. We have reflected on this and have considered further information available to us.

Recommendation 21 We recommend that the Chairman of the River Hamble Harbour Board be paid a SRA at the same level as the party spokesmen for the main opposition party, i.e. 16.5% of the Leader's proposed SRA, presently £5583, backdated to when the present role holder took on these responsibilities, subject to the normal HCC rule of not more than one SRA being payable.

Chairman and Vice-Chairman of HCC

320. There are two other allowances payable to councillors. These are for the Chairman and Vice-Chairman of HCC. The existence of these posts pre-dates the other HCC councillor roles by a long way to at least 1972. Section 3 of the Local Government Act 1972 says that 'a principal council may pay the Chairman for the purpose of enabling them to meet the expenses of their office such allowance as the Council think reasonable.' Section 5 says the same for the Vice-Chairman. In 2007/08 the allowance payable to the Chairman was £16,824 and that for the Vice-Chairman was £8616.

321. Every year during May, the full county council elects a new Chairman and Vice-Chairman at its annual meeting. The Chairman must be a county councillor, but not a member of the Cabinet. The position of Chairman is held for a period of one year only.

322. This is currently (from May 2008) Cllr M.J. Woodhall. The Vice-Chairman is Cllr Tim Knight. In the financial year 2007/08 the Chairman was Cllr P. Devereux and the Vice-Chairman was Cllr Tim Knight.

323. The Chairman of HCC presides over meetings of full council to ensure that its business is carried out fairly and efficiently and to ensure that the meeting is conducted in accordance with Standing Orders of the Council.

324. The Chairman is also the civic and ceremonial head of the authority. The Chairman is ambassadorial, 'flying the flag' for Hampshire both within the county and, at times, in neighbouring authorities. The Chairman is the 'first citizen' of the County of Hampshire.

325. These two posts do not come within the scope of the 2003 Members' Allowances Regulations and consequently the remit of the IRP, nor have we been asked to consider them by HCC. HCC, sensibly in the view of the IRP, includes figures for the remuneration and expenses for these two posts in the list it is required to publish each year giving the remuneration and expenses for the councillors covered by the 2003 regulations. The IRP is of the view that it is a statutory anomaly to separate these two councillor allowances from the rest. We will be writing to the Department for Communities and Local Government to point this out.

326. We have considered both these posts and made recommendations concerning them.

327. The existence of these posts lightens the load of the Leader of the Council compared with an authority with an elected mayor where the 'Head of State' role is combined with the 'Leader's' role.

328. The IRP is of the view that these two posts should be reserved for public recognition and reward of councillors who have long and distinguished service with the council and in the community and may be considering standing down at the next election. We believe that these posts should be apolitical and that membership of a certain political party should not be a factor in the selection of the post-holders.

329. We researched comparative data for shire counties. The average for chairmen in the nine shire counties for which we had data was £16,136 and the median £15,372. For vice-chairmen the average was £6344 and the median £7380.

330. We think that both posts are significantly overpaid when considered against executive councillor roles. As with allowances for vice-chairmen on council committees, this seems to be ingrained in local authority history and culture rather than related to responsibility. With HCC Cabinet Members having executive responsibility currently paid a SRA of £16,747, an allowance for the ceremonial post of Chairman of £16,824 scarcely seems merited.

331. We have looked at the activity levels of both Chairman and Vice-Chairman of HCC in the year 2007/08. On some days these roles were involved with more than one formal occasion and this is reflected in the summary in Table 26.

Table 26. Activity levels of HCC Chairman and Vice-Chairman in 2007/08

Chairman	No. of occasions	No. of days
Occasions attended	121	114
Royal visits	11	9
Events hosted	20	19
Total	152	142
Vice-Chairman		
Deputised	33	32

332. We have considered the role of Chairman of the HCC and recommend that it is paid the same as a chairman of a scrutiny committee at £11,165.

333. Unlike other vice-chairmen's roles within HCC, we believe there is a case, based on activity levels, to remunerate the Vice-Chairman of the Council. We think this should be related to the Chairman of HCC on the basis of discounting the Chairman's SRA by 20% for the role of chairing the council itself and then having a SRA for the Vice-Chairman of 25% of 80% of the Chairman's allowance. This approximately recognises the different levels of activity. This gives a SRA for Vice-Chairman of £2233.

334. HCC does not apply its own rule of not more than one SRA in the case of the Chairman and Vice-Chairman of the Council. As mentioned elsewhere in the report this is a HCC rule and not a statutory requirement. We note that Cllr Knight has been paid and is being paid both the allowance for being Vice-Chairman of the Council and the SRA for being Vice-Chairman of the Governance Committee. This is perfectly legal and the council is fully entitled to act in the way it has. We think it is wrong. The council should apply its 'not more than one additional allowance' rule uniformly to all its councillor allowances, whatever the statutory source of them.

Recommendation 22 We recommend SRAs for the Chairman of the Council of £11,165 and for the Vice-Chairman of the Council of £2233 and that these are implemented with effect from the annual meeting of HCC in May 2009.

Recommendation 23 We further recommend that the posts of Chairman and Vice-Chairman of HCC are included in the application of HCC's own rule that not more than one SRA be paid to an individual councillor.

Other payments and provisions

Members' allowances policies

335. The section of this report on the present councillors' allowances describes two policies of HCC in relation to the operation of its Members' Allowances Scheme. One is that no councillor should receive more than one SRA (the higher). The other is that not

more than 50% of the total number of councillors should be in receipt of SRAs. We think that these are sensible policies.

Recommendation 24 We recommend that HCC continues with its two long-established policies of not paying a member more than one (the higher) SRA and that in total SRAs will not be paid to more than 50% of members.

Pensions provision

336. One of the duties of the IRP under the Local Authorities (Members' Allowances) (England) Regulations 2003 is to make recommendations to HCC as to which members of an authority are entitled to pensions in accordance with a scheme made under Section 7 of the Superannuation Act 1972 and whether the basic allowance or SRAs or both are pensionable. The relevant pension scheme for this purpose is HCC's own Local Government Pension Scheme that its own employees are eligible to join.

337. This is the only recommendation that the IRP can make that is mandatory upon HCC to implement. HCC can only include in its pension provision someone who has first been recommended by the IRP and then only to the extent of the pensionable earnings recommended by the IRP.

338. The IRP of HCC recommended at its meeting on 30 June 2003 that elected members be permitted to be members of the HCC Local Government Pension Scheme. It also recommended that both the basic allowance and SRAs be included in the calculation of pensionable earnings. This IRP believes that everyone should have access to a good occupational pension scheme and we consider the HCC scheme to be a good scheme.

339. It is unfortunate that in the UK in the last ten years there has been a very considerable reduction in the availability of good quality final salary pension schemes. This fact was reflected in some comments made to us by some council tax payers during our public consultation, which referred to councillors being in a privileged position.

340. Final salary pension schemes are still widely available in the public sector. We consider that it is right for all the elected councillors to continue to be eligible to be in the HCC Local Government Pension Scheme (LGPS).

341. At present 38 councillors out of 78 are members of the scheme. This is a take-up rate of 48.7%. This contrasts with the take-up rate of the scheme for HCC's own employees of around 80%. In 2007/08 the HCC's rate of contribution to the scheme was 17.7% and the councillors' member contributions were 6%. In the same year HCC paid a total of £116,043 by way of contributions to the scheme in respect of councillors and the councillors paid a total of £39,336. For the year 2008/09 the HCC rate of contribution is 18.1% and the member contribution remains at 6%. Any increase or decrease in the cost of councillor allowances brings with it a consequential change in the contributions for HCC.

342. We think it should be made clear to the public that this is a funded pension scheme that includes member contributions as well as contributions from HCC and not a 'free', non-contributory and non-funded scheme as applies to Civil Servants.

Recommendation 25 We recommend that elected members under 70 continue to be eligible for membership of the HCC Local Government Pension Scheme in respect of both the basic allowance and any SRA in payment.

Recommendation 26 We also recommend that the cost of the HCC pension contributions in respect of elected councillors in total should be published each year and that the contributions made by councillors to the scheme in total are published annually at the same time.

Mileage

343. The present rate for 2008/09 for reimbursement of approved mileage is a flat rate of 53.5p per mile. This is from the Employment in Hampshire County Council Terms and Conditions of Service. This compares with the maximum tax-free HM Revenues and Customs (HMRC) approved rate of 40p for the first 10,000 miles and 25p per mile thereafter. The HMRC rates are widely used in the public and private sectors inside and outside Hampshire, including the Police Authority and the majority of district/borough councils as well as numerous voluntary organisations. A summary of our research data for 2007/08 is given in Table 27.

Table 27. Mileage rates used by various shire councils and authorities within Hampshire

Authority	Using HMRC rates	Mileage rates used
Shire councils		
Kent	Yes	40p a mile up to 10,000 miles, 25p thereafter
Essex	No	<1000cc 34.5p a mile, 1000–1199cc 39.5p a mile, >1200cc 48.5p a mile
Lancashire	No	<1000cc 40.5p a mile, 1000–1199cc 44.2p a mile, >1200cc 55.8p a mile
Surrey	Yes	40p a mile up to 10,000 miles, 25p thereafter
Hertfordshire	Yes	40p a mile up to 10,000 miles, 25p thereafter
Norfolk	Yes	40p a mile up to 10,000 miles, 25p thereafter
Staffordshire	No	50p a mile
West Sussex	No	53.8p a mile
Nottinghamshire	No	<1000cc 40.5p a mile, 1000–1199cc 44.2p a mile, >1200cc 55.8p a mile
Within Hampshire county		
Police	Yes	40p a mile up to 10,000 miles, 25p thereafter
Fire	No	50.2p a mile
HCC	No	50.2p a mile
Basingstoke & Deane	No	<1000cc 36.4p a mile, 1000–1199cc 40.2p a mile, >1200cc 49.9p a mile
East Hampshire	Yes	40p a mile up to 10,000 miles, 25p thereafter
Eastleigh	No	<1000cc 30.6p a mile, 1000–1199cc 32.9p a mile, >1200cc 41.1p a mile
Fareham	Yes	40p a mile up to 10,000 miles, 25p thereafter
Gosport	No	£500 per annum to cover travel, telephone and other expenses
Hart	Yes	40p a mile up to 10,000 miles, 25p thereafter
Havant	Yes	40p a mile up to 10,000 miles, 25p thereafter
New Forest	Yes	40p a mile up to 10,000 miles, 25p thereafter
Rushmoor	No	<1000cc 39.7p a mile, 1000–1199cc 43.1p a mile, >1200cc 54.4p a mile
Test Valley	Yes	40p a mile up to 10,000 miles, 25p thereafter
Winchester	Yes	40p a mile up to 10,000 miles, 25p thereafter

344. We also examined the actual costs of motoring. The AA produces information annually³³ on the running costs of cars for both petrol and diesel-engined vehicles. The data is used by a number of organisations to determine their mileage rates and car allowance schemes.

345. The information is broken down between annual standing charges (road tax, insurance, cost of capital, depreciation at 10,000 miles per year and breakdown cover)

³³ The full schedule and associated assumptions are available on www.theaa.com/motoring/advice/motoring_costs.

and variable costs per mile (fuel, tyres, service labour costs, replacement parts, parking and tolls). An extract from the 2008 costs is shown in Table 28.

Table 28. Extract from AA 2008 car running cost data as at 2 June 2008

	Purchase price of car when new			
	£10,000 to £13,000		£13,000 to £20,000	
	Petrol	Diesel	Petrol	Diesel
Standing charges per annum (£)	2,875	3,076	4,112	4059
per mile (p) @ 10,000 p.a.	28.75	30.76	41.12	40.59
per mile (p) @ 15,000 p.a.	19.60	21.00	28.08	27.70
Variable costs per mile (p) based on petrol at 115.1p per litre and diesel at 126.6p	19.70	16.71	22.24	20.19
For every 1p fuel is different to the prices above add or subtract:	0.11	0.08	0.13	0.10

346. It is reasonable to assume that councillors as individuals would run a car whether or not they were elected to office as HCC councillors. That being the case, the HMRC rate of 40p per mile adequately covers the variable costs and makes a significant contribution to the standing charges.

347. We received no evidence to justify why HCC councillors should be entitled to a more advantageous rate of motor mileage than the approved HMRC rate. Although the difference above the HMRC maximum is taxable, there seems no logical reason to pay a higher rate. It seems anomalous that the same councillor may be doing the same journey in their car, but getting a different and higher mileage rate if the journey is on HCC business compared to the Police Authority, or the majority of borough/district councils' business.

348. In 2007/08 a total of 212,556 miles were paid to councillors and independent/co-opted members; the rate paid was 50.2p per mile – the same rate paid to staff under the Employment in Hampshire County Council (EHCC) conditions of service.

349. This means that the total paid 'tax free' (using the HMRC rate of 40p) was £85,022 and the amount paid subject to tax and national insurance assessment (depending on personal circumstances) was £21,680. The mileage rate for 2008/09 has now increased to a flat rate of 53.5p per mile. We estimate using the present year's mileage rate based on last year's mileage level, a saving to the council tax payer of £28,694 for switching to the HMRC's rates.

Recommendation 27 We recommend that the HMRC maximum tax-free allowance rate is used for all those claiming mileage under the HCC Members' Allowances Scheme as soon as possible and no later than the end of April 2009.

Independent Appeals Panel mileage rates

350. There is one further mileage rate paid to members of the Independent Appeals Panel. This is higher than the other mileage rates and is 57.5p from 1 April 2008. HCC approved rationalising this rate to be the same as the others at its meeting in September 2003. This was subsequently reversed on the basis that these people received no basic allowance or SRA and therefore they should continue to receive a higher mileage allowance. This IRP consider that allowances should be paid as allowances, not through higher mileage rates, which will have a differing effect for different members depending on their travelling distance. If HCC thinks there is a case for an allowance for these people within the Members' Allowances Scheme they should ask the IRP to consider it.

Recommendation 28 We recommend that the higher mileage rates paid to members of the Independent Appeals Panel be withdrawn and that members of this Panel be paid the HMRC maximum tax-free allowance rates as soon as possible and no later than the end of April 2009.

Childcare and Dependent Carer’s allowances

351. Allowances are paid by HCC to those members required to undertake approved duties by the council and who incur cost in respect of care of children or dependent adults in undertaking these duties. These allowances are presently paid at the rate of £4.10 per hour for childcare and £8.00 an hour for care for adult dependants.

352. These rates are important as they provide the opportunity for people to stand for election or to become co-opted or independent members for whom this financial support may be essential. These allowances are a key element in removing barriers to participation in council activities and providing equality of opportunity.

353. A formal complaint has been received by HCC that the childcare rate is insufficient to meet the actual costs involved. This has been referred to the IRP for advice and a recommendation. We have researched this with the other large shire counties and the rates are shown in Table 29.

Table 29. Rates paid by Hampshire and other shire counties under their Members’ Allowances Schemes for childcare and dependent adult care

County	Childcare (£/hour)	Dependent adult (£/hour)	Yearly maximum
Kent	6.00	6.00	
Essex	6.00	6.00	
Hampshire	4.10	8.00	up to £1025
Lancashire	6.90	6.90	up to £1444
Surrey	6.50	14.00	
Hertfordshire	8.20	8.20	
Norfolk	6.07	6.07	up to £2702
Staffordshire	6.97	6.97	
West Sussex			up to £2347. No apparent hourly rate
Nottinghamshire	5.63	11.16	
Average	6.26	8.14	

Notes: All councils appear to pay against actual receipts. All councils except Hampshire, Lancashire, West Sussex and Nottinghamshire appear to have no upper limit on claims. Only Surrey, Nottinghamshire and Hampshire have different rates for childcare and dependent adults.

354. We have also tried to research actual costs in the county. We are told that there are crèches and nurseries where there are many children (10+) that provide a daytime service Monday to Friday, and so would fit into normal council meeting times. Costs for these can be in the range of £3–5 an hour, but many charge session fees rather than hourly rates, which are non-reducible if a child is collected early. A Hampshire provider survey was carried out in the summer of 2007 of full-day care fees per hour and produced the results shown in Table 30.

355. Registered childminders are statutorily limited to six children under 8, of which no more than three can be under 5 and no more than one under a year, including the childminder’s own children. Here rates can be very variable.

356. Another factor is that it may be considerably more expensive to organise care arrangements on a one-off or irregular basis, than on the basis of a planned, regular need.

357. The figures in Table 30 show why the existing rate of £4.10 is a problem in some areas. This survey information is now a year out of date and shows that the median

then was £3.37 with a range from £2.00 per hour to £8.30. With an existing maximum of £4.10 per hour it is inevitable that in some parts of the county short-term childcare will not be available at or below the existing maximum.

Table 30. Hampshire full-day care fees per hour³⁴

Area	Lowest £	Highest £	Median average £
Basingstoke	2.33	6.00	3.37
East Hampshire	2.25	4.05	3.40
Eastleigh	2.50	4.00	3.00
Fareham	2.75	3.50	3.10
Gosport	2.00	4.00	3.20
Hart	3.40	5.75	4.17
Havant	2.40	4.00	3.20
New Forest	2.40	4.14	3.20
Rushmoor	3.00	3.75	3.50
Test Valley	2.75	8.30	3.60
Winchester	2.60	5.00	3.50
Overall			3.37

358. We also think it anomalous to have a maximum cash limit per year. If the person is attending meetings approved by the council, the total amount claimed will be dependent upon the number of meetings the council requests someone to attend rather than being self-determined. The aim of these allowances should be to encourage participation and attendance at approved meetings and not restricted by an arbitrary cash limit.

359. We are of the view that the present HCC arrangements form a potential barrier to participation in council activities and are discriminatory. They should be revised.

360. We are told that no claims were paid out in 2007/08. One claim has been made for the year 2008/09 to date. The present cost is therefore virtually nil and the cost of implementing the change we have recommended below will be insignificant.

Recommendation 29 We recommend that HCC continue to reimburse only on the production of receipts, but that the hourly rate be moved to £6 an hour from £4.10 for childcare and that the adult dependent carer rate of £8.00 is retained. We recommend that there is no annual cash maximum ceiling on these allowances. The IRP also considers a different approach is warranted where there is a child with special needs or someone lives in an area with no group childcare facilities available or the timing of the council meeting including travelling time does not fit in with group childcare facilities. In these circumstances, HCC officials should have the power and the discretion to pay higher amounts than the maximums recommended here, on the production of receipts.

Co-opted members on the Children and Young People Select Committee

361. These members are presently paid a basic allowance of £650 per annum. They met four times in ordinary session in 2007 and three times as the Schools Exclusion Review Group. By July 2008, the committee had met three times. No comments were made to us about this during our consultation. There seemed such a wide variety of practice among other authorities that we were unable to draw any conclusions on this allowance. We found Staffordshire paid £574 per annum and Nottinghamshire £561.

362. Given the frequency of the meetings the HCC allowance of £650 does not seem overgenerous to us.

³⁴ Hampshire Provider Survey Summer 2007.

Recommendation 30 We recommend that the basic allowance of £650 for co-opted members of the Children and Young People Select Committee continues unchanged.

Basic allowance for IRP members

363. This allowance for IRP members was introduced by HCC in 2003. Its present value is £217 per annum. The IRP think it represents a conflict of interest for the IRP to make any recommendation concerning an allowance for themselves.

Recommendation 31 The IRP formally advise HCC that they have considered the matter of an allowance for IRP members and have no recommendation to make concerning the amount of it. They recommend that this is a matter to be considered by HCC.

Index linking and further reviews

364. The original Independent Panel in their report of July 2000³⁵ recommended that the council's new scheme include automatic uprating of allowances every year in accordance with increases in the annual local government pay settlement.

365. In practice a consideration of the indexation of the Members' Scheme has occurred every year. Given that external factors such as inflation and general pay settlements can vary considerably as well as financial circumstances within the county itself, we consider that annual consideration of uprating is to be preferred to automatic indexation for a four-year period.

366. We think that as a general guide the national local government pay settlement is to be preferred. In practice this has been used except for one year, 2006, when allowances were 'frozen'. The IRP has recommended the national local government pay settlement except for one year when it recommended the use of the Retail Price Index.

367. As far as further reviews in the future are concerned there are three elements to consider. The first is to review and comment on what steps, if any, HCC takes to implement the recommendations in this report. We intend to do this in the autumn of 2009.

368. Secondly, there is the annual consideration of indexing the scheme and to examine any matters that HCC, or a councillor or a council tax payer may wish to bring before it. We consider it appropriate for these to continue to be around November of each year, to be able to meet the HCC's own cycle of meetings and for implementation the following April. We think it appropriate for HCC, if it wishes, to seek the advice of the IRP at other times of the year.

Recommendation 32 We recommend that the IRP and HCC continue to consider uprating the Members' Allowances Scheme on a year-by-year basis rather than opting for automatic indexation.

369. Thirdly, we consider from time to time that a major review of the whole scheme is required. This may be caused by central government implementing further reorganisations in the pattern or management of local government or by changes in the Members' Allowances Regulations. A government response to the Roberts Report is still awaited. Even if none of these changes occur it is good practice to have occasional comprehensive reviews of the scheme. We think that eight years is too long since the original report was written.

³⁵ Hampshire County Council, Report of the Independent Panel on Members' Allowances, July 2000. Brooke, Grant, Peach.

Recommendation 33 We recommend that a further comprehensive review of the Members' Allowances Scheme is carried out no later than five years' time if one has not already been carried out for some other reason.

Support for councillors

Information technology (IT)

370. We examined the IT support available for councillors. There is an IT section within the Chief Executive's Department, which is responsible for supplying the IT support for councillors. The support they offered appeared to be comprehensive, from supplying and supporting the IT requirements of councillors who had no equipment of their own through to supplying additional support to councillors who already were set up with their own equipment or who were supplied with equipment from another public authority. The costs of this are borne by HCC and any equipment supplied is recovered when a person's service as a councillor ceases.

371. Access to centrally held software and file storage was offered. A 'help' facility was also offered. This IT section is going to collect IT needs information in advance from candidates seeking election to HCC in May 2009, so that they may offer a much faster response time to meeting the needs of those councillors who are newly elected. This is to be welcomed.

372. IT has become a major tool in modern business management, and this is no different for councillors than anyone else. It enables them to communicate quickly and efficiently with their constituents, party colleagues and council officials. It is important for councillors to have good IT support. Our own experience of the services of this IT section is that they were flexible, fast, efficient and friendly.

373. Hantsweb is a very major website and contains a huge amount of comprehensive information about HCC and its activities. There is so much there it is sometimes difficult to locate the precise information one wants, even using the search engine. Hantsweb makes it possible for members of the public to access comprehensive data about council decisions and meetings in a way that would not have been possible before. It is very successful in making HCC more accessible and transparent and much of the analysis in this report would not have been possible without it.

374. Each councillor has his or her own 'slot' on Hantsweb. This gives the facility for a photograph of them and some biographical details, together with contact details and what HCC committees they are on. All councillors have these three sections. There is also the facility to have a section on 'meetings' where councillors can add in such things as forthcoming 'surgery' details in their constituencies. We found that this facility was little used. We felt that the facilities offered to councillors were being underutilised and that Hantsweb should be a vehicle for councillors to spell out all their public involvement in Hampshire, all their income from public appointments and to make their annual report to constituents as advocated elsewhere in this review.

Administration and office support for councillors

375. The Leader and Cabinet Members have full, normal office support, as would be expected. The chairs of scrutiny committees share a number of 'scrutiny officers' and are thus able to have research undertaken and commission papers independently of the officers of the function they are scrutinising. We consider this essential support.

376. Role holders and political groups have office facilities in HCC Winchester offices, but essentially most councillors are going to be home based. Many may have other support provision made for them if they are, as the majority are, a member of a district/borough council with offices nearer to the home of the councillor.

377. For the majority of councillors no research assistance is provided.

Performance and accountability

378. A large number of issues were raised by the public during the consultation over this review concerning the performance and accountability of councillors.

379. The general view was that what councillors were supposed to do and what they actually did was neither publicly known nor available. It was also stated that councillors did not report back to their constituents other than perhaps when they were seeking re-election. Council tax payers contrasted this with their own experience of employment where hours were set, job requirements were tightly specified and performance was closely monitored.

380. A number of council tax payers also expressed the view that councillors should be on performance-related pay, which should be linked to attendance and achievement of specific objectives.

381. In the view of the IRP there are three sets of issues here. One is about the public knowing what a councillor is expected to do and what they have actually done. The second is accountability and the councillor themselves reporting back to their constituents, and the third issue is about performance-related pay.

(i) Public knowledge of what a councillor is expected to do and what they actually do

382. HCC has built into its constitution a job description for all councillors, which covers the role of a backbench councillor with no additional responsibilities. It is available both on Hantsweb and on request from the council, and is included in this report as Appendix 3.

383. The IRP compared this with some other job descriptions with other councils and found it to be broadly in line with current practice. We sent a copy of the job description to all councillors to ask them to comment on it, and their comments are recorded in the councillor consultation section of this report. We were somewhat surprised that there were councillors who said they were unaware there was such a document.

384. We are of the view that after every election of a councillor, new or re-elected, they should be given a copy of the job description and asked to sign a receipt and an undertaking to carry out the duties as described with due diligence and competence. This should be made known publicly.

385. Every councillor has his or her own slot on Hantsweb. A part of this shows the committees that each councillor is on. Not shown is the frequency or timings of the meetings or the councillor's actual attendance. Nowhere on Hantsweb site is there a composite record of each councillor's attendance at meetings. This could be ascertained by going through the minutes of each individual committee, which are shown on the web. This was beyond the time availability and resources of this IRP and cannot be expected of an ordinary council tax payer. It is recommended that the council, both on individual councillor slots on Hantsweb and collectively, shows a record of councillor attendance at meetings that is readily accessible to council tax payers (see Recommendation 34 below).

386. Hantsweb could also be used to make public all the income derived by HCC councillors from public authority sources, particularly from all those public bodies in Hampshire. This could also be made available for the 11 district/borough councils and any other public authority to have on their website. This would considerably increase the transparency and ease of availability of this important information.

Recommendation 34 We recommend that after every election of a councillor, new or being re-elected, they should be given a copy of the backbench councillor job

description and asked to sign a receipt and an undertaking to carry out the duties as described with due diligence and competence. This should be made known publicly.

Recommendation 35 We recommend that a comprehensive spreadsheet is maintained by HCC of all HCC councillors' income from public sources. This should be on Hantsweb and made available to other public bodies of whom HCC councillors are also members to have on their own websites.

(ii) Accountability

387. Councillors, other than submitting themselves to an election every four years, are not required to communicate or do anything to account for themselves. We think this is a serious omission in the requirements of a councillor.

388. This issue was very clearly and specifically addressed in the HCC Independent Panel report of July 2000³⁶:

'...We propose that the adoption of our scheme (the new increased allowances) should be dependent upon the adoption and implementation of mechanisms through which councillors can properly be held to account...

We believe that enhanced remuneration must involve sharpened accountability. We therefore propose that the annual publication [of what councillors have earned] should show not only the remuneration paid, but also report, in accordance with some appropriate indicators, on the contribution made by each councillor to the effective operation of the council. The indicators should capture not just the qualities reflected in the old attendance allowance, such as the committee meetings that each councillor could have attended and the actual rate of attendance, but also activities such as representing the council or the community on other bodies, and a note of other activities in the community. Councillors should submit their own statement of activities, and their own assessment of their effectiveness, as a part of this annual publication. This could form a sensible basis for informing electors what they are getting from their councillor.'

389. We can only endorse this recommendation of eight years ago. Over £4 million of additional allowances will have been paid out to councillors by way of the new allowances by the end of 2008/09. **It is a major breach of public trust that the councillors have implemented and accepted the new scheme of allowances and the substantial increases they gave, without adopting any of the accountability measures upon which the proposed increased allowances were conditional.**

390. This should be rectified immediately. We believe that the councillors' annual report as proposed above should specifically cover the number of surgeries they held for their constituents, and a summary of their casework and any significant project or other work they undertook in the year. They should also report to their constituents on how their individual councillor budget of £10,000 was spent and the process and considerations they went through in spending it. Those councillors who have additional responsibilities should give a report on them. This information would enable the political parties' hierarchies to conduct performance and development reviews of their HCC councillor members. Such an approach has been adopted by some other councils.

391. They should also state what other public bodies they were appointed or elected to serve upon and should state all the income they received from all public bodies they were elected or appointed to serve upon during the year. They should also state if they

³⁶ Hampshire County Council, Report of the Independent Panel on Members' Allowances, July 2000. Brooke, Grant, Peach.

have other paid employment or if undertaking public duties is a full-time occupation for them.

Recommendation 36 We recommend that annual councillor statements of activity and performance should be initiated to cover the year 2008/09 and be available on Hantsweb.

392. As was written in July 2000, when implemented this will be a sensible basis on which electors can see what they are getting from their councillors and obtain an overall picture of their activities.

(iii) Performance-related pay

393. Some council tax payers felt that councillors should be on performance-related pay (PRP). Certainly over 20 years or so PRP in a variety of different forms has become widespread both in the public and private sectors. Indeed, it is operated within HCC for its own employees.

394. However, the IRP saw great difficulty in introducing it for councillors. For backbench councillors, attendance, the number of constituency surgeries and allocation of their councillor budget of £10,000 are measures of activity rather than effectiveness.

395. PRP may be more feasible for SRA holders, though even here it is more likely to be restricted to holders of Cabinet posts. How does one measure the performance of the chair of a scrutiny committee or an opposition party spokesperson? For Cabinet posts there is always the difficulty of dividing the responsibility for performance between the Cabinet Member and the senior officers of the council.

396. In addition there is the political dimension that overlays all the council does. When elections are on the horizon it will suit whatever is the majority party to praise the council's achievements and for opposition parties to highlight failings. This is inevitable in a healthy democratic process, but it does not provide a firm foundation for the introduction of PRP for elected representatives.

397. However, the IRP felt that two forms of financial safeguard for council tax payers should be introduced even though PRP was inappropriate in all the circumstances for HCC councillors.

398. The IRP felt that there were two aspects of a councillor's performance that were readily measurable. One was attendance at meetings, where we propose a minimum threshold of attendance (other than caused by illness) to be achieved by all councillors of 70%.

399. Police authorities have the right to withhold allowances if members do not attend an authority's formal meetings and some exercise that right. For example, the West Midlands Police Authority withholds part of a member's allowances if they do not attend 75% of meetings. In Merseyside the threshold is 70%.

400. If 70% attendance is not achieved we recommend a reduction of any HCC allowances due under the Members' Allowances Scheme of 50%.

401. The other easily measured fact is whether HCC councillors live in Hampshire. If they do not we recommend no allowances are paid.

Recommendation 37 We recommend if a councillor, other than through illness, fails to attend a minimum of 70% of meetings they are scheduled to attend, then any HCC allowances they are entitled to receive should be reduced by 50%.

Recommendation 38 If a HCC councillor does not live in the county their allowances should be suspended completely.

‘Representing the Future’: the report of the Councillors Commission (Roberts Report) December 2007

402. Concern has been growing for some time about the unrepresentative nature of local government councillors, the lack of people putting themselves forward to be considered for election, and the lack of public recognition of the role they carry out on behalf of their communities. This led the Secretary of State for Communities and Local Government to establish an independent review of these matters.

403. The body established in February 2007 to conduct the independent review was called the Councillors Commission. It was under the Chairmanship of Dame Jane Roberts, the former Leader of Camden Council. Its report was published in December 2007 and is 134 pages long and has 61 recommendations. It contains a thorough analysis of the issues surrounding councillors and the way they work and some very valuable recommendations. It is available for full download from the web or a free hard copy can be obtained from the Department of Communities and Local Government.³⁷ This is recommended reading for anyone interested in these matters, as is the Commission’s supplementary report on members’ remuneration.³⁸

404. The Local Government Association (LGA) published its response to the report on 6 May 2008.³⁹ While welcoming the analysis in the report, the LGA rejected many of its recommendations. At the time of writing this section of our review (July 2008) the Government’s response to the Roberts Report is unknown.

405. This review can only cover a very small part of the contents and recommendations of the report. The parts covered are those the IRP considered particularly relevant in the context of HCC and the present review.

406. The terms of reference of the report specifically mention the allowance and remuneration regime for councillors:

‘Whether the allowance and remuneration regime for councillors:

- delivers value for money;*
- takes account of comparable increases in public sector pay;*
- takes account of constraints on local government resources; and*
- maintains public confidence.’*

407. In the context of Hampshire the view of the IRP is that aspects of the HCC Members’ Allowances Scheme neither deliver value for money nor maintain public confidence. The HCC Members’ Allowances Scheme takes account of comparable increases in public sector pay through using the local government pay awards to index allowances and has taken account of constraints on local government resources through one year (2006) having a freeze on allowances.

408. The Roberts Report shows, as we have done for Hampshire, that councillors are significantly unrepresentative of the population as a whole, being older, more male and more white, with fewer caring responsibilities and less disability.

³⁷ Communities and Local Government Publications, PO Box 236, Wetherby, West Yorkshire LS23 7NB or online via www.communities.gov.uk.

³⁸ Councillors Commission ‘Members Remuneration: Models, Issues, Incentives and Barriers’. Dr Declan Hall and Sir Rodney Brooke, School of Public Policy, University of Birmingham. Department of Communities and Local Government, December 2007.

³⁹ Councillors Commission – LGA Response 6 May 2008, LGA, Local Government House, Smith Square, London SW1P 3HZ, www.lga.gov.uk.

409. Recommendation 3 of the Roberts Report is:

'In order to ensure that as many people as possible can participate in local representative democracy, the role of a councillor must be compatible with full-time employment and an executive councillor with full or part-time employment. The leader of a council should be able to work in addition to council duties; it is recognised that some leaders of larger authorities may wish to work full-time on council duties, but they should not be required to do so.'

410. This recommendation is directly contrary to the actual practice of HCC councillors, where 73% of councillors are full-time on either just HCC duties or on duties for HCC and other public bodies in Hampshire. The majority of HCC councillors are full-time local politicians. The Roberts Report lists two objections to full-time councillors:

'...councillors must remain in touch with those who they represent. The full-time career politician can easily become regarded as a separate political class'

'...people considering becoming councillors need to see the role as service to the community rather than as enforced life change. A widely representative range of candidates is unlikely to come forward if people fear they may finish up having to choose between career, family and council'

411. The IRP considers that the recommendation in the Roberts Report is too much 'one size fits all'. For an authority the size of Hampshire with its present set of responsibilities we consider that the Leader's work and probably all or most of the Cabinet's work can only be done effectively on a full-time basis.

412. The same does not apply, in our view, to other role holders and to backbench councillors. However, HCC's working practices are based on a presumption that all councillors have an open-ended time commitment to the council. This was reflected in a comment in the HCC Independent Panel's report of July 2000:

'Service as a councillor on Hampshire County Council is effectively limited to those who can afford an almost open-ended time commitment with only the most modest remuneration. [i.e. before the new Members' Allowances Scheme was introduced] This leads to an unrepresentative profile of councillors and it also militates against equality of opportunity.'

413. That report went on to comment on the issue of full-time councillors:

'There is no doubt that, for many, service as a councillor becomes much more enjoyable and preferable to their full-time employment. It gives a sense of self-worth and opportunity for progression. Indeed being an effective councillor is a job which can grow to consume all the time available to it. On the other hand, some councillors do presently succeed in combining that role with full-time, or more commonly part-time employment, elsewhere. We believe in a healthy democracy this type of councillor should be more the rule than the exception.'

414. All the council meetings that we examined were held in normal working hours during Monday to Friday. Several councillors who were either working or had worked explained to us the difficulties, if not impossibility, of trying to work full or part time at the same time as trying to be a conscientious and effective councillor. One councillor who continued to work told us that they had to sacrifice a considerable portion of their holiday entitlement to attend meetings in order to avoid antagonising their employer. We were told that the present pattern of working particularly suited those who were district/borough/parish councillors who were able to undertake HCC (and Fire and Police authority) meetings in the day and other authority meetings in the evening.

415. We believe that the pattern of working of HCC (and Fire and Police authorities) discriminates against those who wish to continue a career and has contributed to the

unrepresentative nature of the council. We believe that there would be fierce resistance to any change and that the present pattern of full-time, unrepresentative local politicians in Hampshire will not only continue, but will grow further.

416. Only central government intervention either by re-organising to a unitary pattern of local government in the county or by making evening meetings a statutory requirement and allowing remote attendance and voting (another Roberts Report recommendation) at all meetings will have any impact. Tinkering with the Members' Allowances Scheme of HCC will not bring any change. The considerable increase in allowances from 2001 has not altered the trend towards full-time local politicians or made councillors more representative of the population of Hampshire.

Summary of new proposals: costs and savings

417. All the proposals contained in this review are based on the level of allowances for 2007/08. It has been recommended by the IRP and accepted by HCC that for 2008/09 the Members' Allowances Scheme figures be increased by the national local government pay settlement. At the time of writing this report (August 2008) it was not known what this settlement was and therefore 2007/08 figures have had to be used. Tables 31 to 33 summarise the IRP's proposals.

Table 31. Summary of changes recommended by the IRP

Role	Present SRA £	Proposed SRA 2009/10 £	Cost (+) or saving (-) 2009/10
Chairman of HCC	16,824	11,165	-5,659
Vice-Chairman of HCC	8,616	2,233	-6,383
Leader of HCC	27,913	29,609	+1,696
Cabinet Members (8)	16,747	17,765	+8,144
Vice-Chairmen of Scrutiny and Regulatory Committees (6 but only 4 in payment)	2,797	0	-11,188
Vice-Chairman Health Overview and Scrutiny Committee	3,482	0	-3,482
Vice-Chairmen Standards and Governance (2 but only 1 in payment)	1,397	0	-1,397
Chairman Standards Committee	5,583	1,950	-3,633
Chairman Regulatory Committee	11,165	13,908	+2,743
Principal Opposition Party Spokesman on Regulatory Committee	5,583	0	-5,583
Minority Opposition Party Allowances (7, but only 3 in payment)	2,797	0	-8,391
e-champion	2,797	0	-2,797
Chairman River Hamble Harbour Board	0	5,583	+5,583
Mileage allowances	53.5p per mile	40p per mile	-28,694
Total additional costs in 2009/10			18,166
Total savings in 2009/10			77,207
Net savings*			59,041

*It does not take into account the three further proposed phased increases for the Leader of the Council and the Cabinet of £1,696 and £1,018 respectively for the following three years.

Table 32. Summary of new proposals

2008 actual members' allowances					2009/10 recommendations			
Post	Basic	No.	SRA	Total	Post	No.	SRA	Total
Band 1					Band 1			
Backbench Cllrs	11,565	43	-	11,565	Backbench Cllrs	55		
Band 2								
Vice-Chairmen Governance, Standards	11,565	2	1,397	12,962				
Band 3								
Vice-Chairmen of Select Comms, Labour Party Spokes, e-champ	11,565	13	2,797	14,362				
Band 4								
Vice-Chairman Health Overview and Scrutiny Comm.	11,565	1	3,482	15,947				
Band 5					Band 2			
Chairmen Standards and Governance Comms, Lib Dem Spokes	11,565	8	5,583	17,148	Lib Dem Spokesmen, Chairman River Hamble Harbour Board	6	5,583	17,148
Band 6					Band 3			
Leader Labour Group	11,565	1	6,847	18,412	Leader Labour Group	1	6,847	18,412
Band 7					Band 4			
Chairmen of Select Committees and Regulatory Committee	11,565	6	11,165	22,730	Chairmen of Select Committees	5	11,165	22,730
Band 8					Band 5			
Chairman Health Overview and Scrutiny Committee	11,565	1	13,908	25,473	Chairmen HOSC, and Regulatory Committee	2	13,908	25,473
Band 9					Band 6			
Leader of Liberal Democrat Group	11,565	1	14,275	25,840	Leader of Lib Dem Group	1	14,275	25,840
Band 10					Band 7			
Deputy Leader and Cabinet Members	11,565	11	16,747	28,312	Deputy Leader and Cabinet Members	8	20,817 #	32,382
Band 11					Band 8			
Leader of the Council	11,565	1	27,913	39,478	Leader of the Council	1	34,695 #	46,260
No. of roles		88				79		
Unpaid SRAs*		10				1		
Total no. of cllrs		78				78		

*The council operates a policy of paying only one SRA per councillor. If a councillor holds more than one role qualifying for a SRA, they only receive the higher one.

Increase for the Council Leader and Cabinet Members to be phased over four years.

Chairman and Vice-Chairman of HCC to be paid £11,165 and £2,233 respectively.

Table 33. Summary of costs and savings by expense category*

Elected councillors (78)	Cost in 2007/08 £	Additional costs 2009/10 £	Savings 2009/10 £	Net costs (+) and savings (-) £
Basic Allowance	902,070	0	0	0
Special Responsibility Allowance	349,959	16,216	36,471	-20,255
Mileage	104,034	0	27,977	-27,977
Public transport	4,534.21	0	0	0
Subsistence	1,634.35	0	0	0
Chairman and Vice-Chairman of HCC	25,440		12,042	-12,042
Independent/co-opted members (10)				
Basic Allowance	3,111.63	0	0	0
Special Responsibility Allowance	0	1,950	0	+1,950
Mileage	2,668		717	-717
Public transport	0	0	0	0
Subsistence	0	0	0	0
Totals 2009/10		18,166	77,207	-59,041

*This table does not take into account the three further proposed phased increases for the Leader of the Council and the Cabinet of £1,696 and £1,018 respectively for each of the following three years. By the end of year four in 2012/13 the savings, on a constant basis, will have reduced to £29,521.

Additional possible savings

418. We recommend that HCC give priority to reforming the Members' Allowance Scheme as recommended and summarised above, producing savings of £59,000, a fairer and more logical scheme and better value for money for the tax payer. Additionally, we recommend that the vacant Cabinet post is not filled, which produces a saving of £16,747. We further recommend that allowances are 'frozen' for 2009/10, which will save a further £32,000 approximately. The recommendations we are making to HCC, if implemented in full, would save the Hampshire council tax payer £108,000 in 2009/10.

419. In addition, we recommend, if it has the opportunity, that HCC considers freezing all allowances for 2008/09, rather than implementing an annual indexation increase effective from 1 April 2008 that has already been accepted in principle, but not implemented, due to the delay in the settlement of the national local government pay award. If the award were to turn out at 2.5% this would save HCC a further £32,000 approximately.

Recommendation 39 We recommend that the vacant Cabinet post remains unfilled, saving £16,747 in 2009/10.

Recommendation 40 We recommend that HCC 'freezes' all allowances for 2009/10, saving approximately £32,000.

Recommendation 41 We recommend that HCC gives priority to achieving the £108,000 of possible savings for 2009/10 through the reform of its Members' Allowances Scheme as identified in this review.

Recommendation 42 We recommend, if it has the opportunity, that HCC considers not taking the increase for 2008/09 already agreed but not implemented. This would save an additional £32,000.

Appendix 1 Statutory authorities in Hampshire compared

Name	No. of HCC cllrs on council pre-May 2008	Gross expenditure 2007/08 £ million	Gross expenditure as gross revenue as a % of HCC	No. of average FTEs 2007/08	No. of average FTEs as a % of HCC
Hampshire County Council	78	1,570	100	25,943	100
Basingstoke and Deane Borough Council	6	94.7	6	601	2.3
East Hampshire District Council	5	42.7	2.7	292	1.1
Eastleigh Borough Council	5	62.8	4	579	2.2
Fareham Borough Council	5	61.1	3.9	488	1.9
Gosport Borough Council	4	56.7	3.6	399	1.5
Hart District Council	3	14.4	0.9	272	1.1
Havant Borough Council	2	55	3.5	422	1.6
New Forest District Council	5	109	6.9	903	3.5
Rushmoor Borough Council	2	56.1	3.8	274	1.1
Test Valley Borough Council	2	70.6	4.5	586	2.3
Winchester City Council	1	33.4	2.1	471	1.8
Hampshire Fire and Rescue Authority	19	64.6	4.1	1,776	6.8
Hampshire Police Authority and Constabulary	6	318.0	20.3	3,765	14.5

Appendix 2 Review terms of reference

Review of Hampshire County Council Members' Allowances by the Independent Remuneration Panel

Terms of Reference

Introduction

The present scheme of allowances of Hampshire County Council (HCC) was introduced from October 2001. It was based on the work of an Independent Panel appointed by HCC in January 2000 which reported in July 2000. This was in the context of Government-led changes in the internal management arrangements of local authorities, the abolition of attendance allowances for councillors and the introduction of new regulations to govern the payment of allowances. The work of the original Remuneration Panel was in anticipation of these changes and the adoption by HCC of the Leader and Cabinet model of management.

Since then an Independent Remuneration Panel (IRP) appointed under the Members' Allowance Regulations has made recommendations to HCC on an annual increase for the allowances and on allowances for new and changed posts. HCC have taken these recommendations into account in making decisions about the allowances.

Seven years have now passed since the original report, which is a significant period of time for the new arrangements to have operated and that there have been a number of changes in the meantime with the addition and variation of special responsibility allowances and effect of annual increases and freezes. As a consequence, the present IRP believe that it is now an appropriate time to conduct a full review of the Scheme of Allowances, with the terms of reference as below.

Terms of reference

To review and make any necessary recommendations concerning the present levels and systems of allowances paid by Hampshire County Council under its Members' Allowances Scheme in operation since October 2001 in the context of:

1. The current regulations and in particular the Local Authorities (Members' Allowances) (England) regulations 2003.
2. The original report of the Independent Panel on Members' Allowances of July 2000.
3. Changes that have been made to the original scheme through annual increases and freezes and the variation of and addition of new responsibility allowances in the six years of the scheme's operation.
4. The present level of allowances compared to other local authorities in the South-East of England and other local authorities of a similar size in England, and other public bodies, such as NDPBs.

5. The present composition of the council in terms of age, gender, disability and ethnicity compared with the population as a whole, in other local authorities and in Hampshire. Whether the present allowance levels and system of payment contributes to any barriers to entry to those who might wish to become councillors.

6. The present level of responsibility and time necessary for councillors to undertake their duties. To consider the internal relativities between those currently paid special responsibility allowances and any outstanding requests for payment of special responsibility allowances.

7. The overall allowances paid to councillors for their level of responsibility compared with remuneration for employment in the economy in the South-East of England, with reference to both public and private sectors, taking into account a 'public service discount'.

Methodology

1. To research the nature and scope of all the key roles through appropriate questionnaires, interviews and process observation. This would include all those roles presently paid responsibility allowances and others not presently paid them, but for whom it may be appropriate.

2. To research data on all Members' Allowances paid by other comparable Local Authorities (by size and geography).

3. To invite comments from all councillors and the general public, in writing.

4. To research appropriate external pay and remuneration information.

5. To rank the key roles and develop a recommended Special Responsibility Allowance payment structure.

Timescales

To report no later than Autumn 2008.

Resources required

Time of the IRP members. A part-time researcher, preferably with some background in remuneration and benefits.

Appendix 3 Councillor questionnaire

HAMPSHIRE COUNTY COUNCIL – INDEPENDENT REMUNERATION PANEL COUNCILLOR ALLOWANCES REVIEW 2008

Your name _____

Section A – About yourself

A1 Your ethnic group (choose **ONE** section from A to E, then tick the appropriate box to indicate your cultural background) (Commission for Racial Equality categories)

<p>A. White</p> <p>British</p> <p>English <input type="checkbox"/></p> <p>Scottish <input type="checkbox"/></p> <p>Welsh <input type="checkbox"/></p> <p>Other, please write in _____</p> <p>Irish <input type="checkbox"/></p> <p>Any other White background please write in _____</p> <p>C. Asian, Asian British, Asian English, Asian Scottish, or Asian Welsh</p> <p>Indian <input type="checkbox"/></p> <p>Pakistani <input type="checkbox"/></p> <p>Bangladeshi <input type="checkbox"/></p> <p>Any other Asian background, please write in _____</p>	<p>B. Mixed</p> <p>White and Black Caribbean <input type="checkbox"/></p> <p>White and Black African <input type="checkbox"/></p> <p>White and Asian <input type="checkbox"/></p> <p>Any other Mixed background Please write in _____</p> <p>D. Black, Black British, Black English, Black Scottish, or Black Welsh</p> <p>Caribbean <input type="checkbox"/></p> <p>African <input type="checkbox"/></p> <p>Any other Black background please write in _____</p> <p>E. Chinese, Chinese British, Chinese English, Chinese Scottish, or Chinese Welsh or other ethnic group</p> <p>Chinese <input type="checkbox"/></p> <p>Any other background, please write in _____</p>
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A2 Do you have any long-term illness, health problem or disability which limits your daily activities or the work you can do? (please tick if you have)

A3 Do you have caring responsibility for: (please tick all relevant)

Child/children <input type="checkbox"/>	Parents <input type="checkbox"/>
Partner <input type="checkbox"/>	Relative <input type="checkbox"/>
	Other <input type="checkbox"/>

A4 Your current main employment status (please tick the main one):

Full-time on HCC Council duties and any other public service duties in Hampshire	<input type="checkbox"/>
In full-time paid employment (normally more than 30 hours a week)	<input type="checkbox"/>
In part-time paid employment (normally less than 30 hours per week)	<input type="checkbox"/>
Self-employed	<input type="checkbox"/>
Unemployed	<input type="checkbox"/>
Retired	<input type="checkbox"/>
Permanently sick or disabled and unable to work	<input type="checkbox"/>
Not in paid work-looking after family /home	<input type="checkbox"/>
In full-time education	<input type="checkbox"/>
Not working for some other reason	<input type="checkbox"/>

Section B –About Your Work as a Councillor

B1 Please indicate **the average number of hours per month** you spend on council and political business for **Hampshire County Council** (round to the nearest hour). **Please exclude travelling time to and from Winchester to Hampshire County Council offices** (We have calculated the travelling time from each Councillor’s home to HCC Winchester offices using the AA Route Planner). **Please do not incorporate time spent on Hampshire Fire and Police roles** as this should be recorded separately in Section B4 below.

_____ hours per month

B2 On average how many times a month do you travel to Winchester to Hampshire County Council offices? _____

B3 If you are able, please estimate how much of your time shown in B1 above was spent on average on the following:

Attending and preparing for meetings _____ Hours per month

Representing the Council on outside bodies including preparation and other work _____ Hours per month

Representing individual constituents including telephone calls and writing letters and emails _____ Hours per month

Representing local community interests including preparation, attending meetings, telephone calls, writing letters and emails _____ Hours per month

Representing party political interests _____ Hours per month

Any other activity _____ Hours per month

B4 Are you a member of any of the following (please tick those that apply) and indicate on average how many hours per month you spend on each:

		Average Hours per month			Average Hours per month
Hampshire Fire and Rescue Authority	<input type="checkbox"/>	_____	A Parish Council	<input type="checkbox"/>	_____
Hampshire Police Authority	<input type="checkbox"/>	_____	National Parks Authority	<input type="checkbox"/>	_____
A Borough/District Council	<input type="checkbox"/>	_____	A Health Trust	<input type="checkbox"/>	_____
A Government Quango	<input type="checkbox"/>	_____	A Non-Government Public body	<input type="checkbox"/>	_____

B5 When you are considering whether to seek re-election to HCC in May 2009, is the present level of allowances a major factor for you? Yes No

If you answer ‘Yes’ we would welcome any comment you would like to make on the Additional information and Comments sheet.

Thank you for your help in completing this questionnaire. Please return by the 7 April 2008 in the envelope provided or email back to irp@hants.gov.uk

All information obtained from these questionnaires will be shown in summary form. Nothing will be published that can be attributed to an individual Councillor. The questionnaires will be shredded or deleted at the conclusion of the project.

Appendix 4 HCC backbench councillor job description

2.3 Roles and functions of all Councillors

a. Key roles - All County Councillors are expected to undertake the following key roles:

Job purpose

As an elected member of Hampshire County Council, each County Councillor is expected:

- to act corporately for the good governance of Hampshire; balancing the needs of Hampshire's whole community with the role of local representative
- to act locally to represent, promote and support the interests of the constituency and the community within the constituency; and to represent the County Council within both the constituency and the community.

Context

To act in line with:

- current legislation
- national codes of conduct and standards
- the Constitution including:
 - Code of Conduct (set out in full in Part 4),
 - the policy framework (see chapter 4.1c.), and
 - budget policies.

b. Key tasks

1. Representing the County Council in the community.
2. Representing and promoting the interests of the community in Hampshire.
3. Acting as the prime link between the County Council and the local community by providing information to, and feedback from, that community.
4. Attending and participating in County Council meetings; supporting the Council's key role of delivering services to the community; and providing strong local governance, in particular;
 - participating in developing and agreeing the Council's budget and key policies,

- taking decisions about executive functions which are outside the budget and policies agreed by the full council, and
 - making appointments to committees, to the Executive and to outside bodies as the Constitution provides.
5. Undertaking membership, as required, of County Council Regulatory Committees.
 6. Undertake membership of Policy Review (Scrutiny and Overview) Committees within their remit of:
 - a. scrutiny
 - b. policy development
 - c. Best Value
 7. Undertaking membership of health Review Committee or sub-committees.
 8. Undertaking membership of outside bodies as appointed by the County Council.
 9. Act as ‘corporate parent’ of looked-after children.

c. Rights and duties

- i. All Councillors have rights of access to such documents, information and Council land and buildings as are necessary for them to perform their functions properly, in line with the spirit and intent of the Constitution.
- ii. County Councillors have a responsibility to act at all times within the context set out under key roles (2.3 a above). In particular, they will not make public any information which is confidential or exempt, without the County Council’s consent, or divulge information they were given in confidence to anyone other than a Councillor or Officer entitled to know it.
- iii. For these purposes, ‘confidential’ and ‘exempt’ information is defined in Access to information rules in Part 3 of this Constitution.

2.4 Conduct

At all times, County Councillors will observe the Members’ Code of Conduct and the protocol on member/officer relations set out in Part 4 of this Constitution.

2.5 Allowances

County Councillors will be entitled to receive allowances in line with the Members’ Allowances Scheme set out in Part 5 of this Constitution.

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