

**A Review  
Of  
Members' Allowances  
For  
Winchester  
City Council**

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**A Supplementary Report to  
the Fifth Report**

**By the  
Independent Remuneration  
Panel**

**Roger Farrall  
Dr Declan Hall (Chair)  
Richard Lindley  
Karen Robinson**

**December 2011**

## Foreword

This is a Supplementary Report to the fifth Report produced by the Independent Members Remuneration Panel (the Panel) for Winchester City Council. The original Panel was appointed in December 2001 as a requirement of the Local Government Act 2000, whereby the Council was obliged to adopt what were then new governance structures, which brought about corresponding changes in the roles and responsibilities for Members. Accordingly the Panel was required to review the Members' Allowances scheme to make recommendations that reflected those new roles and responsibilities. The recommendations of the Panel in December 2001 were largely accepted by the Council. In January 2003, a second review was undertaken in the light of actual experience of the new political structures and responsibilities for Members. The recommendations of the second review were once again accepted by the Council. These first two reviews have largely set the framework for the current scheme of Members' Allowances.

A third review was undertaken the late summer of 2003, in compliance with the *Local Authorities (Members' Allowances) (England) Regulations 2003*<sup>1</sup> and subsequent amendments. These new regulations required the Council to reconvene its Panel to make recommendations on certain associated allowances, e.g., travel and subsistence and Co-optees' allowances, before 31 December 2003. The recommendations were produced in September 2003 and the Council once again accepted the Panel's main recommendations (apart from the recommendation on pension provision); again, this review did not result in any major changes to the Members' Allowances scheme.

A fourth review was undertaken in October 2006. The main driver of the fourth review was the perception that the nature of some posts has evolved over time and other minor issues had simply arisen since September 2003. Additionally, the Panel was tasked in the fourth review to reevaluate the whole Members' Allowances scheme as the legal requirement to do so (see below) would have occurred the following year in any case. The fourth review ensured that the legal requirements were met in good time.

The fifth review (in December 2010) was driven primarily by the statutory requirement for the Council to reconvene the Panel under the "four year rule". All Councils are required to reconvene their Panels at least once every four years to provide fresh authority for indexation. It is also viewed as a means to provide a periodic external scrutiny of Members' Allowances schemes to ensure public accountability. The fifth review recommended increases to the Basic Allowance and some Special Responsibility Allowances (SRAs) which the Council did not accept. In effect, the Council decided that the Members Allowances scheme should be based on the lower 2010/11 scheme then in effect.

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<sup>1</sup> See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

However, this did not affect the differentials between the SRAs, their relative values were maintained. The Panel understands that the Council did this primarily to achieve some savings in Members' Allowances as Members were also being asked to find savings across the whole Council. The Panel accepts that the reduced levels of allowances are in effect the operative levels in relation to making its recommendations for this Supplementary Review.

This is a Supplementary Review in that the Panel is being asked to review a number of specific posts arising out of certain changes in Council structures. The Panel is not reviewing the whole scheme of allowances. Consequently, the recommendations contained in this report seek to address any anomalies in the current scheme arising out of recent changes, rather than revisit the fundamental framework upon which the scheme is based.

Dr Declan Hall  
Chair of the Independent Remuneration Panel

December 2011

# **Independent Remuneration Panel**

## **A Supplementary Review**

**Of**

**Members' Allowances**

**For**

**Winchester City Council**

### **Introduction: The Regulatory Context**

1. This Supplementary Report contains the deliberations and recommendations made by the Winchester City Council Independent Remuneration Panel arising from the Supplementary Review conducted in November 2011.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* to make recommendations to the Council on an amended scheme of Members' Allowances. These regulations, which arise out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to maintain an advisory Independent Remuneration Panel to review and provide advice on Members' allowances. All Councils are required to convene their Allowances Panels and seek their advice before they make any changes or amendments to their allowances schemes, and they must 'have regard' to the Panel's recommendations before setting new or amended Members' Allowances Schemes.

### **Terms of Reference**

3. The Panel was tasked with reviewing a number of specific posts arising out of changes in the executive, scrutiny and audit functions, following consideration of all relevant factual evidence and representations made by Members. The specific terms of reference were:

- (a) To review the Executive Member SRAs, in light of experience of the 'strengthened' Leader system and provide recommendations on their appropriate SRAs
- (b) To recommend which SRA band would be appropriate for the Chairman of The Overview and Scrutiny Committee, in the light of experience of the Committee's operation since May 2011
- (c) To recommend which SRA band would be appropriate for the six Scrutiny Leads, in the light of experience of their workload and responsibilities since May 2011
- (d) To recommend which SRA band would be appropriate for the Chairman of the Audit Committee, in the light of experience of the Committee's operation since May 2011
- (e) To provide advice to the Council on the date of implementation for the Panel's recommendations

### **The Panel**

4. Winchester City Council reconvened (with one new appointment) its Independent Remuneration Panel, consisting of the following:
  - Roger Farrall – retired local government officer specialising in job evaluation and remuneration review, and a local resident
  - Dr Declan Hall – a former academic at the Institute of Local Government, The University of Birmingham, now an independent consultant specialising in the field of Members' Allowances who was appointed by the Panel to act as Chairman.
  - Canon Richard Lindley – former Director of Education for the Winchester Diocese and now a Schools Adjudicator and a local resident
  - Karen Robinson – a Procurement Officer MCIPS (Member of Chartered Institute for Procurement and Supply) and LEA (Local Education Authority) Governor of two schools in Hampshire
5. The Panel was supported by David Blakemore, Senior Democratic Services Officer, who acted as the 'Panel's Friend' and whose role was to support the Panel, and take the organisational lead in facilitating the whole process.
6. The Panel would like to record its gratitude to the Members and Officers of Winchester City Council for making themselves available to talk to the Panel and ensuring the work of the Panel was supported in an efficient and effective manner. In particular, special appreciation is reserved for David Blakemore who was central in ensuring the Panel was effectively supported.

## **Methodology**

7. The Panel met in the Eversley Room, Guildhall, Winchester, on 22<sup>nd</sup> November 2011. The Panel meeting and deliberations were held in private session, to enable it to meet Members and Officers in confidence. All Members also had the opportunity to make written submissions to the Panel. The details of the elected Members and Officers of the Council who met or made submissions to the Panel are provided in Appendix 1. All the formal written evidence and information reviewed by the Panel is listed in Appendix 2.

## **The Evidence Reviewed and Recommendations**

### **The Current Scheme of Members' Allowances**

8. The Panel notes that the Council maintained its voluntary 5% reduction of Members' Allowances for 2011/12 following the recommendations of the Panel in the fifth Report in December 2010. The Panel accepts that for the purposes of this Supplementary Review the current scheme and level of allowances is the operative one for contextual purposes and for drawing relevant parities.

### **The Impact of the 'Strengthened' Leader Model on Executive Members**

9. The piecemeal implementation of the Local Government and Public Involvement in Health Act (2007), commencing on 1<sup>st</sup> April 2008, now requires all councils retaining a Leader and Cabinet form of executive to institute a 'strengthened' leader model of executive. The main constitutional consequences of this model are that the Leader of Winchester City Council:
  - Is elected until his/her term of office as an elected Member expires (where the Council holds elections on 3 out of 4 years, or by 'thirds', – as with Winchester City Council).
  - Determines the size of the Executive (Cabinet), subject to a minimum of two and maximum of 10 members (including the Leader) for a term of up to 4 years.
  - Appoints/dismisses a Deputy Leader and other Cabinet Members
  - Is responsible for all Cabinet functions.
  - Can exercise all the Cabinet functions him/herself or may delegate functions to the Cabinet, Cabinet Members individually, or other Committees or Officers.

10. The Council as a whole retains the right to remove the Leader, provided the Council's Constitution (and Executive arrangements) provide for this.
11. The Panel received no evidence that the 'strengthened' Leader model has had a significant impact on the roles of Leader and other Executive Members in operational terms. The Leader has a slightly reduced responsibility vis-à-vis the Audit function in that the Leader no longer chairs the defunct Statement of Accounts Committee. This is less to do with the 'strengthened' Leader model and more to do with the restructuring of the Audit function. Moreover, the Leader or relevant Cabinet Member will still attend the new Audit Committee when required (see below). Nonetheless, while the ways and means by which the Leader and other Executive (Cabinet) Members are appointed and their powers have altered constitutionally, this has not translated into corresponding changes in size of their respective roles and workloads at this stage.
12. **The Panel recommends no change to the current SRAs and bandings for the Leader (Band 1: £16,734), Deputy Leader (Band 2: £9,129), and other Cabinet Members with Portfolio (Band 3: £7,605).**

### **The Chairman of the Overview & Scrutiny Committee**

13. In May 2011, the Council reorganised its Overview and Scrutiny function. It abolished the Principal Scrutiny Committee and four Scrutiny Panels and replaced them with The Overview and Scrutiny Committee and 12 Informal Scrutiny Groups (ISGs) and six Scrutiny Lead Members. The Chair of The Overview and Scrutiny Committee and six Scrutiny Lead Members are not receiving a SRA as the Council is awaiting the recommendations of the Panel on their appropriate SRAs.
14. The Overview and Scrutiny Committee no longer has an audit responsibility, which now permits the Committee to focus more strongly on its core responsibilities having previously on occasion been dominated by audit matters. On the other hand, The Overview and Scrutiny Committee now has overall responsibility for coordinating and organising scrutiny arrangements, including taking upon the previous functions of the four Scrutiny Panels. Consequently, the Chair of The Overview and Scrutiny Committee is accountable to Council for all Overview and Scrutiny issues. Finally, The Overview and Scrutiny has also acquired a performance review function.
15. Between the loss of some responsibilities and the acquisition of other responsibilities, the Panel has taken the view the role of Chairman of The Overview and Scrutiny Committee remains on a par with the previous Chairman of the Principal Scrutiny Committee.

16. **Therefore, the Panel recommends that Chairman of The Overview and Scrutiny Committee should receive a SRA at Band 3 (£7,605).**

### **The Six Scrutiny Lead Members**

17. The four Scrutiny Panels have been replaced by regular meetings of the ISGs. They operate on a task and finish basis to investigate specific topics of importance to the Council and local communities and thus to inform the work of The Overview and Scrutiny Committee, which in turn appoints non-Cabinet Members from across the Council to serve on the ISGs. The work of the 12 ISGs is divided into two 'batches' of six reviews per batch over the municipal year. Consequently, there are six ISGs in operation to address the first batch of reviews and it is expected that they will conclude their work and disband before those in the second batch of six reviews begin.
18. Six Members have been appointed as Scrutiny Leads, who chair the ISGs. They sit on the main Overview and Scrutiny Committee and would generally expect to chair two ISGs per year, with each ISG meeting on average at least 5 times per year. As of early December 2011, two investigations have been completed with another four due for completion by February 2012.
19. The responsibilities of the Scrutiny Leads include taking ownership of two scrutiny investigations by ISGs each year, chairing their meetings, proposing scoping and terms of reference and taking oversight of final reports and their presentations to The Overview and Scrutiny Committee and Cabinet.
20. The workload of the Scrutiny Leads is certainly no less than the previous Chairs of the Scrutiny Panels and, in terms of informal meetings is more. However their work is more focused and there are six Lead Members rather than four Scrutiny Panel Chairmen. The Panel has taken the view that overall the responsibility of the Scrutiny Leads is not on a par with the previous Chairmen of the Scrutiny Panels, who received a SRA at Band 5. Consequently, the Scrutiny Leads should receive an SRA at Band 6, on a par with the Chairman of the Winchester Town Forum and other Chairmen of Task and Finish and/or Ad Hoc Working Groups/Panels with Significant Impact.
21. **The Panel recommends that the six Scrutiny Leads should receive an SRA at Band 6, (£1,521).**

### **The Chairman of the Audit Committee**

22. The new Audit Committee has responsibility for the audit functions previously carried out by the now abolished Principal Scrutiny and

Statement of Accounts Committees. The Chartered Institute of Public Finance and Accountancy (CIPFA) encourage local authorities to put in place an audit committee where they have previously not had one so that the audit function is separate from executive and scrutiny arrangements, and the committee chaired independently from both these functions. Most local authorities have now established Audit Committees.

23. The Audit Committee is a formal decision making committee answerable to the Council. The Chairman has specific responsibility for ensuring that reports from the Council's External Auditors and Internal Audit Team are considered and all recommendations acted upon, seeking other professional advice where appropriate, and presenting reports when required. The Committee meets four times per year.
24. The Panel feels the Audit Committee undertakes a significant function and that therefore the Chairman merits an SRA. On the other hand, the Committee and Chairman do rely a great deal on professional advice and the Audit Committee meets less than most other committees. The Panel notes that the average SRA paid to Chairmen of Audit Committee, as shown in the South East Employers 2010/11 survey of allowances of district councils in South East England is £2,245. Consequently, the Panel has taken the view that the appropriate SRA Band for the Chairman of the Audit Committee at this stage is Band 5 (£2,280).
25. **The Panel recommends that an SRA should be paid to the Chairman of the Audit Committee and should be paid at Band 5 (£2,280).**

### **The Increase in SRA costs arising from the Panel's Recommendations**

26. The Panel notes that if its recommendations are accepted by the Council then there will be a potential increase of £2,286 in total spending on SRAs compared with the previous governance configuration for scrutiny and audit. Although the total responsibilities of the Council have not increased; how they are organised has changed. However, the Panel is confident about the minor financial consequences of its recommendations, in view of the enhanced quality of the scrutiny and audit functions that have occurred. The Panel proposes to review the appropriate total spend on SRAs at the next full review, which has to occur before the end of 2014.

### **The Impact of the Localism Act 2011**

27. Furthermore, the Panel notes that the Localism Act has now received royal assent, with many of its measures expected to be in place by April 2012. It is too early to ascertain the impact of the Localism Act on

Members' roles and responsibilities but if there are significant impacts the Panel may well have to meet before the end of 2014. This would provide an earlier opportunity to reconsider the recommendations contained in this report.

### **Implementation of Recommendations**

- 28. The Panel further recommends that the new SRAs proposed in this Supplementary Report be implemented from the date that the Members affected took up their posts.**

## **Appendix One: Councillors and Officers who met with the Panel**

### **Members who met with Panel**

Cllr George Beckett: Leader of the Council (and Conservative Group)

Cllr Kelsie Learney: Leader of the Opposition (Liberal Democrat Group)

### **Members who made written submission to Panel**

Cllr Colin Chamberlain: Chairman of The Overview and Scrutiny Committee (Independent)

### **Officers who met with the Panel**

Stephen Whetnall (LLB Hons): Corporate Director – Governance

David Blakemore: Senior Democratic Services Officer

## **Appendix 2: Information and Evidence Considered by the Panel**

1. A briefing Note on the Council for the Panel on new governance arrangements
2. Report CAB2106 – Members’ Allowances – Report of the Independent Remuneration Panel (including Panel’s Fifth Report at Appendix C), 19 January 2011
3. Extract of the meetings of Cabinet and Principal Scrutiny Committee held on 19 and 24 January 2011 respectively with regard to their consideration of Report CAB2106
4. Report CL68 – Members’ Allowances – Approval of Full Scheme, 24 February 2011
5. Report CAB2133 – Leadership Arrangements , 16 March 2011
6. Report CAB2132 – Review of Constitution – Changes to Overview and Scrutiny Arrangements and Impact on Communities, 16 March 2011
7. Role Profiles for
  - Leader of the Council
  - Chairman of The Overview and Scrutiny Committee
  - Chairman of the Audit Committee
  - Lead Member of Informal Scrutiny Group (ISG)
8. Report OS21 – Gypsy and Traveller Informal Scrutiny Group Report, 17 October 2011
9. Report OS23 – The City Council’s Final Efforts to Reduce its Carbon Footprint, Informal Scrutiny Group Final Report, 14 November 2011
10. Report OS24 – Asset Management Plan 2011-2016 (less exempt appendix)
11. The Local Authorities (Members’ Allowances) (England) Regulations 2003
12. New Council Constitutions: Guidance on Regulation for Local Authority Allowances 2006
13. Winchester City Council Members’ Allowances Scheme 2011/12
14. South East Employers (SEE) Members’ Allowances Survey Results 2010/11
15. Presentation from Chair of Panel on issues to consider for reviewing allowances, including benchmarking analysis

### **Appendix 3: Declarations of Interest by Panel Members**

Roger Farrall:

- Is a member of Hampshire County Council Independent Remuneration Panel

Dr Declan Hall:

- As an independent consultant has recently concluded (November 2011) a review of Members' Allowances for South Downs National Park Authority, to which Winchester City Council appoints 1 Member

Karen Robinson:

- A Governor for Osborne (Winchester) School