

Notice is hereby given that the **ANNUAL MEETING** of the **COUNCIL OF THE BOROUGH OF GOSPORT** will be held in the **BALLROOM** of the **THORNGATE HALLS, BURY ROAD, GOSPORT** on **WEDNESDAY NEXT** the **EIGHTEENTH DAY OF MAY 2011** at **11AM** AND **ALL MEMBERS OF THE COUNCIL ARE HEREBY SUMMONED TO ATTEND TO CONSIDER AND RESOLVE THE FOLLOWING BUSINESS –**

1. To receive apologies from Members for their inability to attend the Meeting.
2. To elect from among the Councillors of the Borough a Mayor of the Borough of Gosport to serve for the Municipal Year 2011/2012.
3. The best thanks of the Council be accorded to the retiring Mayor and Mayoress for their services during the past Municipal Year.
4. To award Citizen of the Year and Young Citizen of the Year Certificates to persons who have provided eminent services to the Borough.
5. Adjournment of Meeting

(Until 6pm on Thursday, 19 May 2011, at the Town Hall, Gosport).

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6. To confirm the Minutes of the Ordinary Meeting of the Council held on 6 April 2011(copy herewith).
 7. To consider any Mayor's Communications.
 8. To receive Deputations in accordance with Standing Order No 3.5 and to answer Public Questions pursuant to Standing Order No 3.6, such questions to be answered orally during a time not exceeding 15 minutes.

(NOTE: Standing Order No 3.5 requires that notice of a Deputation should be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON MONDAY, 16 MAY 2011** and likewise Standing Order No 3.6 requires that notice of a Public Question should be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON MONDAY, 16 MAY 2011**).

9. Questions (if any) Pursuant to Standing Order No 3.4

(NOTE: Members are reminded that Standing Order No 3.4 requires that Notice of Question pursuant to that Standing Order must be received by the Borough Solicitor NOT LATER THAN 12 O'CLOCK NOON ON TUESDAY, 17 MAY 2011).

10. To elect from among the Councillors of the Borough a Deputy Mayor of the Borough of Gosport to serve for the Municipal Year 2011/2012.

11. Review of Council Boards and Committees and Determination of Allocation of Seats

To consider the report of the Borough Solicitor (copy herewith)

12. To appoint the Chairman of the Policy and Organisation Board pursuant to the Council's Standing Orders.

13. To appoint the Boards, Nominated Deputies for the Regulatory and Licensing Boards, Overview and Scrutiny Committee and Standards and Governance Committee and Panels and Outside Bodies .

14. Review of Scheme of Allowances for Members – Report of Independent Remuneration Panel

To consider the report of the Borough Solicitor (copy herewith)

15. Treasury Management – Investment Strategy

To consider the report of the Deputy Chief Executive and Borough Treasurer (copy herewith)

**IAN LYCETT
CHIEF EXECUTIVE**

**TOWN HALL
GOSPORT**

10 May 2011

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm being activated, please leave the Council Chamber and Public Gallery immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

MEMBERS ARE REQUESTED TO NOTE THAT:

(1) IF THE COUNCIL WISHES TO CONTINUE ITS BUSINESS BEYOND 9.30PM THEN THE MAYOR MUST MOVE SUCH A PROPOSITION IN ACCORDANCE WITH STANDING ORDER 4.11.18

(2) MOBILE PHONES SHOULD BE SWITCHED OFF FOR THE DURATION OF THE MEETING

GOSPORT BOROUGH COUNCIL

BOARD/COMMITTEE:	ADJOURNED ANNUAL COUNCIL
DATE OF MEETING:	19 MAY 2011
TITLE:	REVIEW OF COUNCIL BOARDS AND COMMITTEES AND DETERMINATION OF ALLOCATION OF SEATS
AUTHOR:	BOROUGH SOLICITOR
STATUS:	FOR DECISION

PURPOSE

To advise the Council of the balance of the seats on the Council and the position with regard to Political Groups and to undertake a review in accordance with the “Proportionality Rules” of the balance of seats on the Boards and Committees of the Council.

RECOMMENDATIONS

That the Council approve:

1. The allocation of seats on the Boards and Committee as set out in paragraph 3.1
2. The allocation of seats on the Standards & Governance Committee as set out in paragraph 4.1

1.0 REVIEW OF COUNCIL BOARDS AND SUB-BOARDS

- 1.1** The Council previously reviewed the allocation of seats and made a determination as to the allocation between the Political Groups at the Annual Council Meeting in 2010.

2.0 PROPORTIONALITY RULES

- 2.1** Currently notices have been received from 4 political groups and there is one independent Councillor who is not a member of a political group.
- 2.2** Section 15 of the Local Government and Housing Act 1989 requires the Council to review the allocation of seats and when making allocation of seats to Political Groups allocations are made to give effect so far as reasonably practicable to the following principles:
1. That not all the seats are allocated to the same Political Group;
 2. That the majority of seats are allocated to the Political Group having a majority of seats on the Council;
 3. That subject to 1 and 2 above the number of seats on the total of all Boards and Committees of the Council allocated to each Political Group bears the same proportion to the proportion on the Council;
 4. That subject to all the above the number of seats on each Board and Committee allocated to each Political Group bears the same proportion to the proportion on the Council.

The Council has five Boards and one Overview and Scrutiny Committee; there are 68 seats to be allocated as set out in paragraph 2.2 above. However, it is not possible to allocate 68 seats in exact proportion as each Political Group has on the Council, as can be seen from the table below.

	Conservative	Labour	Liberal Democrats	Independent Group	TOTAL
Members	22	3	6	2	33
Proportion	64.71%	8.82%	17.65%	5.88%	97.06%
Seats	44	5.99	12	3.99	65.98

3.0 PROPOSED ALLOCATION – BOARDS AND OVERVIEW & SCRUTINY COMMITTEE

- 3.1** The proposed allocation of seats is set out below.

	Conservative	Labour	Liberal Democrats	Independent Group	TOTAL
Group	22	3	6	2	33
Proportion	64.71%	8.82%	17.65%	5.88%	97.06%
Seats	44	5.99	12	3.99	65.98
Proposed Allocation	45	6	13	4	68
Proposed Allocation %	65.44%	8.82%	19.11%	5.88%	99.25%
Percentage Difference	+0.73%	0	+1.46%	0	

	Conservative	Labour	Liberal Democrats	Independent Group	TOTAL
Policy and Organisation	7	1	1	1	10
Economic Development	7	1	1	1	10
Community	8	1	2	1	12
Regulatory	8	1	3	0	12
Licensing	8	1	3	0	12
Overview and Scrutiny	7	1	3	1	12
TOTAL	45	6	13	4	68

3.2 This proposed allocation gives effect to the principles set out in paragraph 2.2 above

4.0 STANDARDS AND GOVERNANCE COMMITTEE

4.1 The proportionality rules do not apply to the Standards and Governance Committee. However, the Council had previously agreed that in addition to the independent members, each Political Group should be represented. The Standards Board for England believes that Standards Committees should include appropriate political representation so it is seen to be acting with the support of all political parties and that they should be constituted to ensure that no one political group dominates. They also believe that only one chairman of a Board (including the Leaders) should sit on the Standards & Governance Committee which is consistent with the regulations governing authorities operating executive arrangements.

- 4.2** It is proposed that the seats for members should be allocated as follows.

Conservative	Labour	Liberal Democrats	Independent Group
3	1	1	1

SUPPORTING INFORMATION

Financial Services Comments:	Nil
Legal Services Comments:	As indicated in Section 2
Service Improvement Plan implications:	Nil
Corporate Plan:	Nil
Risk Assessment:	Nil
Background Papers:	Council Meetings 6 April 2011 and May 2010
Appendices/Enclosures:	None
Report Author/Lead Officer:	Linda Edwards, Borough Solicitor

GOSPORT BOROUGH COUNCIL

ADDENDUM

BOARD/COMMITTEE:	ADJOURNED ANNUAL COUNCIL
DATE OF MEETING:	19 MAY 2011
TITLE:	REVIEW OF COUNCIL BOARDS AND COMMITTEES AND DETERMINATION OF ALLOCATION OF SEATS- ADDENDUM REPORT
AUTHOR:	BOROUGH SOLICITOR
STATUS:	FOR DECISION

REPORT

2.1 On Wednesday 18 May 2011 I received notice of a new political group called the Independent Group and comprising 2 members.

2.2 This changes the proportions as set out below:

	Conservative	Labour	Liberal Democrats	Independent LD Group	Independent Group	TOTAL
Members	22	3	5	2	2	34
Proportion	64.71%	8.82%	14.71%	5.88%	5.88%	100%
Seats	44	5.99	10	3.99	3.99	67.97

3.0 PROPOSED ALLOCATION – BOARDS AND OVERVIEW & SCRUTINY COMMITTEE

3.1 The proposed allocation of seats is set out below and the Recommendation 1 in my main report is amended to refer to Paragraph 3.1 of this addendum report.

	Conservative	Labour	Liberal Democrats	Independent LD Group	Independent Group	TOTAL
Group	22	3	5	2	2	34
Proportion	64.71%	8.82%	14.71%	5.88%	5.88%	100%
Seats	44	5.99	10	3.99	3.99	67.97
Proposed Allocation	44	6	10	4	4	68
Proposed Allocation %	64.70%	8.82%	14.71%	5.88%	5.88%	99.99 %
Percentage Difference	-0.01%	0	0	0	0	

	Conservative	Labour	Liberal Democrats	Independent Group	Independent Group	TOTAL
Policy and Organisation	6	1	1	1	1	10
Economic Development	7	1	1	1	0	10
Community	8	1	2	1	0	12
Regulatory	8	1	2	0	1	12
Licensing	8	1	2	0	1	12
Overview and Scrutiny	7	1	2	1	1	12
TOTAL	44	6	10	4	4	68

PROVISIONAL BOARD/COMMITTEE MEMBERSHIP FOR 2011/2012 MUNICIPAL YEAR
POLICY & ORGANISATION BOARD

(6:1:1:1:1)

Councillor Beavis
Councillor Burgess
Councillor Chegwyn
Councillor Mrs Forder
Councillor Hook
Councillor Lane
Councillor Langdon
Councillor Philpott
Councillor Smith
Councillor Wright

COMMUNITY BOARD (8:1:2:1:0)

Councillor Mrs Bailey
Councillor Burgess
Councillor Carter, C K
Councillor Mrs Cully
Councillor Edgar
Councillor Mrs Forder
Councillor Henshaw
Councillor Hylands
Councillor Mrs Hook
Councillor Jessop
Councillor Kimber
Councillor Murphy

ECONOMIC DEVELOPMENT BOARD

(7:1:1:1:0)

Councillor Allen
Councillor Chegwyn
Councillor Edgar
Councillor Mrs Forder
Councillor Mrs Hook
Councillor Kimber
Councillor Lane
Councillor Langdon
Councillor Ronayne
Councillor Mrs Searle

REGULATORY BOARD (8:1:2:0:1)

Councillor Allen
Councillor Mrs Bailey
Councillor Beavis
Councillor Geddes
Councillor Henshaw
Councillor Hylands
Councillor Langdon
Councillor Philpott
Councillor Ronayne
Councillor Scard
Councillor Smith
Councillor Wright

LICENSING BOARD (8:1:2:0:1)

Councillor Allen
Councillor Ms Ballard
Councillor Beavis
Councillor Bradley
Councillor Carter, C K
Councillor Mrs Cully
Councillor Edwards
Councillor Foster-Reed
Councillor Jacobs
Councillor Murphy
Councillor Scard
Councillor Miss West

OVERVIEW & SCRUTINY COMMITTEE

(7:1:2:1:1)

Councillor Bradley
Councillor Dickson
Councillor Forder
Councillor Foster-Reed
Councillor Geddes
Councillor Hylands
Councillor Jacobs
Councillor Jessop
Councillor Kimber
Councillor Scard
Councillor Mrs Searle
Councillor Miss West

STANDARDS & GOVERNANCE COMMITTEE

(3:1:1:1:0)

Councillor Chegwyn
Councillor Forder
Councillor Jessop
Councillor Philpott
Councillor Scard
Councillor Wright

Independent Members

Mr R V Perry (14 May 2012)
Mr G A Lidgley (30 September 2012)

***The Mayor (Councillor Carter, C R) & Chairman of the Policy & Organisation Board (Councillor) are ex-officio Members of all Boards unless named in the membership of the respective Board.**

REGULATORY BOARD

PROVISIONAL NOMINATED DEPUTIES FOR 2011/2012 MUNICIPAL YEAR

Conservative Group

Councillor Burgess
Councillor Carter, C K
Councillor Carter, C R
Councillor Dickson
Councillor Edgar
Councillor Edwards
Councillor Mrs Hook
Councillor Hook
Councillor Jacobs
Councillor Jessop
Councillor Kimber
Councillor Lane
Councillor Murphy
Councillor Miss West

Labour Group

Councillor Mrs Cully
Councillor Mrs Searle

Liberal Democrat Group

Councillor Ms Ballard
Councillor Chegwyn
Councillor Foster-Reed

Independent Group

Councillor Bradley

LICENSING BOARD

PROVISIONAL NOMINATED DEPUTIES FOR 2011/2012 MUNICIPAL YEAR

Conservative Group

Councillor Burgess
Councillor Carter, C R
Councillor Dickson
Councillor Edgar
Councillor Geddes
Councillor Henshaw
Councillor Mrs Hook
Councillor Hook
Councillor Jessop

Conservative Group (contd)

Councillor Kimber
Councillor Lane
Councillor Langdon
Councillor Philpott
Councillor Ronayne

Labour Group

Councillor Mrs Searle

Liberal Democrat Group

Councillor Mrs Bailey
Councillor Chegwyn
Councillor Hylands

Independent Group

Councillor Smith

**PROVISIONAL PANEL & OUTSIDE BODIES MEMBERSHIP FOR THE
2011/2012 MUNICIPAL YEAR**

POLICY AND ORGANISATION BOARD

OTHER PANELS & OUTSIDE BODIES

CCTV PARTNERSHIP PANEL (1 representative plus standing deputy)

Proposed: Conservative: Councillor Jessop
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

CUSTOMER COMPLAINTS PANEL (2:2:1:1)

**Panels to comprise 3 members

Proposed: Conservative: Councillors Langdon and Ronayne
Labour: Councillors Mrs Searle & Wright
Liberal Democrat: Councillor Ms Ballard
Independent Liberal Democrat: Councillor Forder

**GOSPORT COMMUNITY SAFETY PARTNERSHIP STRATEGIC BOARD (1
representative – Chairman of the P & O Board plus Deputy Chief
Executive & Borough Treasurer as Standing Deputy)**

Proposed: Chairman of P & O Board

**GOSPORT OVERVIEW AND SCRUTINY COMMUNITY SAFETY PANEL
(4:1:1:1)**

Proposed: Conservative: Councillors Edwards, Geddes, Henshaw and Miss
West
Labour: Councillor Mrs Searle
Liberal Democrat: Councillor Hylands
Independent Liberal Democrat: Councillor Mrs Forder

GOSPORT ROYAN TWINNING FORUM

Deputy Mayor plus any councillor who wishes to attend the Forum.

Proposed: Conservative: Councillors Beavis, Carter, C R and Philpott
Labour:
Liberal Democrat:
Independent Liberal Democrat: Councillor Mrs Forder
Independent Group:

LOCAL JOINT STAFF COMMITTEE

Chairman & Vice-Chairman of P & O Board plus one representative from each Political Group (7).

Proposed: Conservative: Councillor Lane
Labour: Councillor Wright
Liberal Democrat: Councillor Chegwyn
Independent Liberal Democrat Group: Councillor Mrs Forder
Independent Group: Vacancy

AGE CONCERN (HANTS) (1 representative)

Proposed: Conservative: Councillor Kimber
Labour:
Liberal Democrat:
Independent Liberal Democrat Group:
Independent Group:

CITIZENS ADVICE BUREAU (1 representative)

Proposed: The Mayor (Councillor Carter, C R)

GOSPORT BOROUGH EDUCATIONAL TRUST (2 representatives plus Deputy Chief Executive & Borough Treasurer)

Proposed: Conservative: Councillor Edgar
Labour:
Liberal Democrat:
Independent Lib Dem: Councillor Forder
Independent Group:

GOSPORT SOCIETY (The Mayor (ex-officio) plus 1 representative)

Proposed: Conservative: Councillor Scard
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GOSPORT VOLUNTARY ACTION (The Mayor (ex-officio) plus 3 representatives – 1:1:1)

Proposed: Conservative: Councillor Mrs Hook
Labour: Councillor Mrs Cully
Liberal Democrat:
Independent Liberal Democrat: Councillor Forder
Independent Group:

HANTS & IOW LOCAL GOVERNMENT ASSOCIATION (2 representatives)

Proposed: Conservative: Councillors Lane and Langdon
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

HM SUBMARINE AFFRAY ADMINISTRATIVE COMMITTEE (The Mayor plus 2 representatives)

Proposed: Conservative: Councillors Burgess and Ronayne
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

LOCAL GOVERNMENT ASSOCIATION (1 representative)

Proposed: Conservative: Councillor Hook
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

LOCAL GOVERNMENT ASSOCIATION – COASTAL ISSUES SPECIAL INTEREST GROUP (SIG) (1 representative plus officer)

Proposed: Conservative: Councillor Kimber
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

LOCAL GOVERNMENT ASSOCIATION – FOURTH OPTION SPECIAL INTEREST GROUP (SIG) (1 representative)

Proposed: Conservative: Councillor Murphy
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

LOCAL GOVERNMENT ASSOCIATION –

(a) Urban Commission (2 representatives)

Proposed: Conservative: Councillors Burgess and Murphy
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

RELATE (1 representative)

Proposed: Conservative:
Labour:
Liberal Democrat:
Independent Liberal Democrat: Councillor Mrs Forder
Independent Group:

ST VINCENT CORPORATION GOVERNOR (1 representative)

Proposed: Conservative: Honorary Alderman Gill
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

SOUTH EAST EMPLOYERS (1 representative plus standing deputy)

Proposed: Conservative: Councillor Carter, C R
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

SURESTART (1 representative)

Proposed: Conservative:
Labour: Councillor Mrs Searle
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

COMMUNITY BOARD

OTHER PANELS & OUTSIDE BODIES

COASTAL PANEL (2:1:1)

Proposed: Conservative: Councillors Burgess and Kimber
Labour: Councillor Mrs Cully
Liberal Democrat:
Independent Liberal Democrat: Councillor Forder
Independent Group:

AGAMEMNON HOUSING SOCIETY LIMITED (1 representative)

Proposed: Conservative: Councillor Geddes
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

A2 DOMINION LOCAL MANAGEMENT COMMITTEE (2 representatives plus standing deputy)

Proposed: Conservative: standing deputies: Councillors Burgess and Kimber
Labour: Councillors Mrs Cully and Mrs Searle
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

AIR TRAINING CORPS – 1098 (GOSPORT) SQUADRON COMMITTEE (1 representative)

Proposed: Conservative: Councillor Carter, C K
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

ALLOTMENTS STAKEHOLDERS CONSULTATIVE GROUP (1:1:1)

Proposed: Conservative: Councillor Dickson
Labour: Councillor Mrs Cully
Liberal Democrat: Councillor Hylands
Independent Liberal Democrat:
Independent Group:

ALVERSTOKE TRUST

Confirm Surgeon Capt T Hall until September 2015.

-No councillor nominations required-

**BRIDGEMARY COMMUNITY SPORTS COLLEGE CENTRE
MANAGEMENT COMMITTEE (1 representative)**

Proposed: Conservative: Councillor Geddes
Labour:
Liberal Democrat:
Independent Liberal Democrat:

**BRIDGEMARY, ROWNER AND WOODCOT COMMUNITY ASSOCIATION
(1 representative)**

Proposed: Conservative: Councillor Geddes
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

**BRUNE PARK COMMUNITY MANAGEMENT COMMITTEE (1
representative)**

Proposed: Conservative: Councillor Carter, C K
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

FAREHAM AND GOSPORT MIND (1 representative)

Proposed: Conservative: Councillor Allen
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GOD'S PORT HOUSING SOCIETY (1 representative)

Proposed: The Mayor (Councillor Carter, C R)

GOSPORT AVIATION SOCIETY (1 representative)

Proposed: Conservative: Councillor Scard
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GOSPORT BOROUGH FOOTBALL CLUB (1 representative)

Proposed: Conservative: Councillor Jacobs
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GOSPORT COMMUNITY ASSOCIATION – MANAGEMENT COMMITTEE (1 representative)

Proposed: Conservative:
Labour: Councillor Mrs Searle
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GOSPORT/FAREHAM JOINT ENVIRONMENTAL HEALTH PANEL (1 representative)

Proposed: Conservative: Councillor Burgess
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GOSPORT HEALTH INEQUALITIES PARTNERSHIP (2 representatives)

Proposed: Conservative: Councillors Allen and Edgar
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GROUNDWORK SOLENT BOARD OF TRUSTEES (2 representatives)

Proposed: Conservative: Councillors Beavis and Allen
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

SOUTH HAMPSHIRE ROAD SAFETY COUNCIL (1 representative and 1 Deputy)

Proposed: Conservative: Councillor Scard
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

HEDCA GENERAL MANAGEMENT COMMITTEE (1 representative)

Proposed: Conservative:
Labour:
Liberal Democrat: Councillor Ms Ballard
Independent Liberal Democrat:
Independent Group:

HOMESTART – GOSPORT & FAREHAM MANAGEMENT COMMITTEE (1 representative)

Proposed: Conservative: Councillor Jacobs
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

JOINT AUTHORITIES GYPSIES & TRAVELLERS PANEL (3 representatives – 1:1:1)

Proposed: Conservative: Councillor Langdon
Labour: Councillor Mrs Searle
Liberal Democrat:
Independent Liberal Democrat: Councillor Forder
Independent Group:

LEE-ON-THE-SOLENT COMMUNITY ASSOCIATION (1 representative)

Proposed: Conservative: Councillor Carter, C R ***(nominated after vote)**
Labour: Councillor
Liberal Democrat: Councillor Mrs Bailey
Independent Liberal Democrat: Councillor
Independent Group: Councillor

PEEL COMMON ODOUR FORUM (3 representatives)

Proposed: Conservative: Councillors Mrs Hook and Philpott
Labour: Councillor Wright
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

PORTCHESTER CREMATORIUM JOINT COMMITTEE (2 representatives plus 2 deputies)

Proposed: Conservative: Councillor Edgar standing deputy: Councillor
Carter, C R
Labour: Councillor Wright
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

PORTSMOUTH CITY COUNCIL HEALTH OVERVIEW AND SCRUTINY PANEL (1 co-opted representative)

Proposed: Conservative: Councillor Edgar
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

PORTSMOUTH & GOSPORT JOINT BOARD (4:1:1) (appointed until 31 December 2011)

Already appointed: Councillors Burgess, Edgar, Edwards, Hook, Mrs Searle and Smith

-No councillor nomination required-

PROJECT INTEGRA STRATEGIC BOARD (1 representative plus standing deputy)

Proposed: Conservative: Councillor Kimber
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

PROJECT INTEGRA POLICY REVIEW AND SCRUTINY COMMITTEE (1 representative plus standing deputy)

Proposed: Conservative:
Labour:
Liberal Democrat:
Independent Liberal Democrat: Councillor Mrs Forder
standing deputy: Councillor
Forder
Independent Group:

SOLENT SEA RESCUE ORGANISATION (1 representative)

Proposed: Conservative: Councillor Ronayne
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

STANDING CONFERENCE ON COASTLINE PROBLEMS (1 representative)

Proposed: Conservative: Councillor Kimber
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

ECONOMIC DEVELOPMENT BOARD

OTHER PANELS & OUTSIDE BODIES

GOSPORT MUSEUM JOINT MANAGEMENT COMMITTEE (2:1)

Proposed: Conservative: Councillors Mrs Hook and Kimber
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

ENTERPRISE FIRST (1 representative)

Proposed: Conservative: Councillor Edgar
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

GOSPORT DEVELOPMENT TRUST MANAGEMENT COMMITTEE (1 representative)

Proposed: Conservative: Councillor Kimber
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

**HAMPSHIRE ACTION TEAM (HAT) (FAREHAM AND GOSPORT)
(HIGHWAYS) (1 link representative)**

Proposed: Conservative: Councillor Langdon
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

**HCC TRANSPORT FOR SOUTH HAMPSHIRE JOINT COMMITTEE (1
representative plus Officer)**

Proposed: Conservative: Councillor Langdon
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

**PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH) JOINT
COMMITTEE (1 representative plus standing deputy)**

Proposed: Conservative: Councillor Hook standing deputy: Councillor Lane
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

**PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH) JOINT
OVERVIEW AND SCRUTINY COMMITTEE (1 representative plus standing
deputy)**

Proposed: Conservative:
Labour:
Liberal Democrat:
Independent Liberal Democrat: Councillor Forder
Independent Group:

**PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH) ECONOMY
DELIVERY PANEL (1 representative plus officer)**

Proposed: Conservative: Councillor Lane
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

ROYAL NAVY SUBMARINE MUSEUM (1 representative)

Proposed: Conservative: Councillor Ronayne
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

TOURISM SOUTH EAST (1 representative)

Proposed: Conservative: Councillor Lane
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

REGULATORY BOARD

OTHER PANELS & OUTSIDE BODIES

GOSPORT/FAREHAM JOINT BUILDING CONTROL PANEL (1 representative)

Proposed: Conservative: Councillor Carter, C R
Labour:
Liberal Democrat:
Independent Liberal Democrat:
Independent Group:

AGENDA ITEM NO. 14

Board/Committee:	ADJOURNED ANNUAL COUNCIL
Date of Meeting:	19 MAY 2011
Title:	REVIEW OF SCHEME OF ALLOWANCES FOR MEMBERS – REPORT OF INDEPENDENT REMUNERATION PANEL
Author:	BOROUGH SOLICITOR
Status:	FOR DECISION

Purpose

To consider the report and recommendations of the Independent Remuneration Panel and agree any changes to the current Scheme of Allowances for Members.

Recommendations

A. That the Council agrees each of the following recommendations from the Independent Remuneration Panel as set out in their report dated May 2011:

1. In line with the current Scheme, no more than 50% of Members of Gosport Borough Council are to receive Special Responsibility allowances at any one time;
2. The Basic Allowance be paid at £5,630.00 per annum which has been calculated by reference to the work involved and no provision has been included for other out of pocket expenses;
3. No Member should be entitled to receive more than one Special Responsibility Allowance;
4. Special Responsibility Allowances should be paid for the following roles and in the following amounts:

Leader of the Council: £13,078

Chairman of Service Boards, Regulatory Board and Licensing Board: £4,188

Chairman of Overview and Scrutiny Committee: £3,141

Opposition Group Leaders Special Responsibility Allowance be calculated in accordance with the formula set out in paragraph 36 of the Independent Remuneration Panel's Report and paid in the following amounts:

Liberal Democrat Group Leader: £2,068.91

Labour Group Leader: £1,034.45

Independent Liberal Democrats Group Leader: £689.64;

5. Vice Chairmen of Boards do not receive a Special Responsibility Allowance;
 6. Deputy Leader does not receive a Special Responsibility Allowance;
 7. Travel Allowance should only be paid for travel outside of the Borough on approved duties at 40.9 pence per mile;
 8. The Basic Allowance and Special Responsibility Allowance should be subject to an annual adjustment equal to percentage increase in the national average weekly earnings as published in January of each year in the New Earnings Survey and implemented in April of each year;
 9. Child Care and Dependent Carers' Allowances should be retained and paid at the hourly rate for the National Minimum Wage for attendance at formally approved meetings only (not constituency work). The number of hours to be paid per week is the lower of the total time spent at no more than 2 meetings in that week or 8 hours subject to a maximum allowance, per Councillor, of £2,000 per year.
 10. A Co-optees Allowance is not paid;
 11. Where a Councillor is suspended or partially suspended, the Basic Allowance; Special Responsibility Allowance; and Travel Allowance payable in respect of the period of suspension or partial suspension should be withheld;
 12. The current Member pension scheme is retained; and
 13. Any amendment which affects an allowance payable for the year in which the amendment is made shall apply with effect from 1 April of the year in which the amendment is made.
- B. That the Council agrees that the current provisions relating to payments set out in paragraph 2.3 and 2.4 continue.

1.0 REVIEW OF SCHEME OF ALLOWANCES FOR MEMBERS

- 1.1 At its meeting on 14 July 2010 the Council agreed the composition of the Independent Remuneration Panel (the Panel) to carry out a review of the current Scheme of Allowances for Members.

- 1.2** The Panel has now submitted their report which is attached as Appendix 1. Notice of receipt of this report has been advertised and a copy has been made available for public inspection at the Town Hall and placed on the Council's website.
- 2.0 Report**
- 2.1** The Council must now decide what changes if any should be made to the current Scheme of Allowances for Members and must have regard to the recommendations of the Panel.
- 2.2** The Council's scheme must provide for payment of a basic allowance to each member which must be the same amount irrespective of the number of Boards and Committees a member serves on or their attendance at training or other meetings.
- 2.3** The Council's scheme should also specify the time limit for claims for Childcare and Dependent Carers' Allowance and Travel Allowance to be made. The current scheme requires these claims to be made within 3 months of expenditure being incurred.
- 2.4** The current scheme also provides that payment of the Basic Allowance and any Special Responsibility Allowance is by way of 12 equal monthly instalments.
- 2.5** It is suggested that these 2 provisions are not changed.
- 3.0 Conclusion**
- 3.1** Once the Council has considered the Panel's report and agreed any changes to the Scheme of Allowances a further notice will be published in the newspaper and on the website.

SUPPORTING INFORMATION

Financial Services Comments:	If the recommendations of the Independent Remuneration panel are accepted in full this would require an additional budgetary provision in this year of £18114
Legal Services Comments:	As indicated in Section 2
Service Improvement Plan implications:	Nil
Corporate Plan:	Nil
Risk Assessment:	Nil
Background Papers:	Report to Council 14 July 2010
Appendix 1:	Report of the Independent Remuneration Panel May 2011 (including Appendices)
Report Author/Lead Officer:	Linda Edwards, Borough Solicitor

**A REVIEW OF MEMBERS' ALLOWANCES
FOR
GOSPORT BOROUGH COUNCIL**

**A REPORT BY THE
INDEPENDENT MEMBERS REMUNERATION PANEL
MAY 2011**

The Panel

1. The Independent Members Remuneration Panel consisted of:
 - Richard Carlyle: Principal of Bridgemary Community Sports College
 - Peter Carroll: Gosport Voluntary Action Group
 - Andrew Smith: Sanderson Centre

Terms of Reference for the Panel

2. To review the current Members' Allowances scheme, which was introduced in July 2002.

Legal Requirements

3. 1 The Panel has produced its report in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003 and sets out its recommendations in relation to:-
 - 3.1.1 the amount of basic allowance which should be payable to elected members and whether it should be withheld if a member is suspended or partially suspended;
 - 3.1.2 the roles and responsibilities for which a special responsibility allowance should be payable and the amount of such allowance;
 - 3.1.3 travelling and subsistence allowance; Co-Optees allowance and the amount of such allowances;
 - 3.1.4 whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and the amount of this allowance;
 - 3.1.5 whether allowances may be backdated where an amendment to the scheme is made after 1 April and before 31 March of the next calendar year;
 - 3.1.6 whether adjustments to the level of allowances may be determined according to an index and which index should be used (this is subject to a maximum of 4 years before its application is reviewed); and
 - 3.1.7 Which Members are to be entitled to pensions and whether basic, special or both allowances are to be treated as amounts in respect of which pensions are payable.

Methodology

- 4.1 The Panel met on eight occasions (see appendix one). Sessions were private and were held at Gosport Borough Council's offices.
- 4.2 The Panel was provided with a copy of the current scheme of Member Allowances and budget for Gosport Borough Council as well as the Member Allowance Schemes and the budgets of four other fourth option Local Authorities (see appendix two).
- 4.3 The Panel was grateful to Carly Grainger, Democratic Services Officer, who provided a record of the meetings and general assistance through out the

- review.
- 4.4 The Borough Solicitor, Head of Payroll and Financial Services Manager were requested to attend an early meeting to outline the current scheme and answer Panel Members' questions.
 - 4.5 All Members of the Council were invited to complete a questionnaire (see appendix three).
 - 4.6 The Panel invited Group Leaders, Chairmen of all the Council's Service Boards and the Chairman of Overview and Scrutiny Committee for
 - 4.7 interview.
The Panel consulted the Office of National Statistics' Annual Survey of Hours and Earnings 2010 (see appendix four).

Table: Summary of Recommendations

Post	Number	Basic Allowance	Special Responsibility	Total Allowance per Member
Basic Allowance to all Councillors	34*	£5,630.00	£0.00	£5,630.00
Leader of the Council^	1	£5,630.00	£13,078.00	£18,708.00
Deputy Leader of the Council	1	£5,630.00	£0.00	£5,630.00
Chairman of Service Boards Regulatory Board and Licensing Board	4	£5,630.00	£4,188.00	£9,818.00
Chairman of Overview and Scrutiny Committee	1	£5,630.00	£3,141.00	£8,771.00
Vice – Chairman	6	£5,630.00	£0.00	£5,630.00
Opposition Group Leader based on 6 Members	1	£5,630.00	£2,068.91	£7,698.91
Opposition Group Leader based on 3 Members	1	£5,630.00	£1,034.45	£6,664.45
Opposition Group Leader based on 2 Members	1	£5,630.00	£689.64	£6,319.64
Budget Required		£191,420.00	£24,200.00	£228,184.00
Childcare and Dependent				£2,000
Travel Allowance paid at 40.9 pence per mile				

Notes

*Total number of Councillors

^ The Leader of the Council chairs the Policy and Organisation Board for which the post receives the Leaders allowance only

Recommendations

5. The Independent Members Remuneration Panel recommends that:
 - 5.1 in line with the current Scheme, no more than 50% of Members of Gosport Borough Council are to receive Special Responsibility Allowances at any one time;
 - 5.2 the Basic Allowance be paid at £5,630.00 per annum which has been calculated by reference to the work involved and no provision has been included for other out of pocket expenses;
 - 5.3 no Member should be entitled to receive more than one Special Responsibility Allowance;
 - 5.4 Special Responsibility Allowances should be paid for the following roles and in the following amounts:
 - 5.4.1 Leader of the Council: £13,078
 - 5.4.2 Chairman of Service Boards, Regulatory Board and Licensing Board and Licensing Board: £4,188
 - 5.4.3 Chairman of Overview and Scrutiny Committee: £3,141
 - 5.4.4 Opposition Group Leaders Special Responsibility Allowance be calculated in accordance with the formula set out in paragraph 36 and paid in the following amounts:
 - Liberal Democrat Group Leader: £2,068.91
 - Labour Group Leader: £1,034.45
 - Independent Liberal Democrats Group Leader: £689.64;
 - 5.5 Vice Chairmen of Boards do not receive a Special Responsibility Allowance;
 - 5.6 Deputy Leader does not receive a Special Responsibility Allowance;
 - 5.7 Travel Allowance should only be paid for travel outside of the Borough on approved duties at 40.9 pence per mile;
 - 5.8 The Basic Allowance and Special Responsibility Allowance should be subject to an annual adjustment equal to percentage increase in the national average weekly earnings as published in January of each year in the New Earnings Survey and implemented in April of each year;

- 5.9 Child Care and Dependent Carers' Allowances should be retained and paid at the hourly rate for the National Minimum Wage for attendance at formally approved meetings only (not constituency work). The number of hours to be paid per week is the lower of the total time spent at no more than 2 meetings in that week or 8 hours subject to a maximum Allowance, per Councillor, of £2000 per year.
- 5.10 A Co-optees Allowance is not paid;
- 5.11 Where a Councillor is suspended or partially suspended, the Basic Allowance: Special Responsibility Allowance ;and Travel Allowance payable in respect of the period of suspension or partial suspension should be withheld;
- 5.12 The current Member pension scheme is retained; and
- 5.13 Any amendment which affects an allowance payable for the year in which the amendment is made shall apply with effect from 1 April of the year in which the amendment is made.

Benchmarks

6. *Benchmark Earning Rate*
The Panel wished to determine an appropriate rate of remuneration. The Office of National Statistics' Annual Survey of Hours and Earnings 2010 indicated that the median earnings of full-time male employees was £538 per week in April 2010, equaling £107.60 per day.
The Panel recommends that the benchmark earnings rate for 2011/12 should be £107.60 per day.
7. *Benchmark Remunerated Days*
The last Independent Members Remuneration Panel indicated that Councillors worked 87.25 days a year on Council related work. The Panel recommended that this should remain the same.
The Panel recommends that the benchmark remunerated days should remain at 87.25 days.
8. *The Voluntary Principle – or Public Service Ethos*
The Panel agreed that the Voluntary Principle, the notion that an important part of being a Councillor is the desire to serve the public and therefore not all of what a Councillor does should be remunerated, should be retained in the Members Allowance Scheme. The Panel felt that this was an important principle in deciding the remuneration packet for Councillors, and decided that the current level of 40% was adequate. This was reflected in the questionnaires received back from Councillors, as 89% of responses believed that the voluntary discount was sufficient.

The Panel recommends that the Voluntary Principle be retained at the current rate of 40%.

Setting the Basic Allowance

9. The Panel noted that the Scheme of Allowances had not been subject to a fundamental review for some time and felt it was important to begin their work by assessing all aspects of the calculation previously undertaken. This included reviewing the daily remuneration rate, number of days worked and the voluntary principle.
10. The Panel therefore calculated that the Basic Allowance should be based on the following formula:
 - 10.1 Daily Remuneration (£107.60) x Number of days worked (87.25) = £9,388.10.
 - 10.2 Remuneration (£9,388.10) – voluntary discount (40%) = £5,632.86.
11. **The Panel recommends a Basic Allowance of £5,630 (rounded down to the nearest ten pounds) for 2011/12.**

Setting the Basic Allowance – Attendance at Meetings

12. Through out the Panels investigations into the current Members Allowance Scheme, many Councillors had suggested that some Councillors worked more hours than others. It was expressed that this should be reflected in the Members Allowance Scheme. The Panel felt strongly that those who worked more should be rewarded for their efforts.
13. However the Panel are advised that legally the Council's scheme of allowances must provide for payment of a basic allowance which is the same for each member.

Setting the Special Responsibility Allowance

14. The Panel recommends that Councillors who perform extra duties, such as being Chairman of a Service Board, Regulatory Board and Licensing Board should be remunerated for their extra work. Councillors should only be entitled to receive one special allowance. It was agreed that there would not be a voluntary discount added to the Special Responsibility Allowance.
15. The questionnaire specifically asked for Councillors views on the current level of Special Responsibility Allowances. 63% of responses indicated that this allowance should stay at its current level.
16. The Panel agreed that the current level of Special Responsibility Allowance

was adequate for the Chairmen of the Boards referred to above, but wished to revise the allowance for the Leader of the Council, Chairman of Overview and Scrutiny Committee and Opposition Group Leaders.

17. **The Panel recommends that no Member should be entitled to more than one Special Responsibility Allowance.**

Setting the Leader of the Council's Allowance

18. The Panel interviewed the current Leader of the Council. It was clear to the Panel that the current Leader of the Council worked a full week in their capacity as Leader. The Panel felt that this extra work should be remunerated. However the Panel did note that to some extent the input may vary from personal choice and that the time spent by the Leader may need to be subject to a further review.
19. The Panel felt that an increase of an amount commensurate to the percentage rise to the Basic Allowance would be sufficient, especially in the current financial climate. This would reflect the number of hours that the Leader of the Council works, while taking into consideration that increased hours worked is part of the Leaders role and that hours worked could differ with a new Leader.
20. The Panel therefore calculated that the Special Responsibility Allowance for the Leader of the Council should be worked out as £12,126.00 x 1.0785 which equates to a sum of £13,078.00 (rounded up to the nearest pound).
21. **The Panel recommends a special responsibility allowance of £13,078.00 for the Leader of the Council for 2011/12.**

Setting the Deputy Leader's Allowance

22. The Panel agreed with the conclusion of the previous Independent Remuneration Panel in 2002, which recommended that the Deputy Leader should not receive a Special Allowance in that role.
23. **The Panel recommends that no special responsibility allowance be paid to the Deputy Leader of the Council in that role.**

Setting the Chairmen of Service, Regulatory and Licensing Boards Allowance

24. The Panel was satisfied with the current level of Special Responsibility Allowance for the Chairmen of Service Boards, Regulatory Board and Licensing Board. The Panel recognised the work and extra duties that these Chairmen had, but agreed that the current amount of £4,188.00 was adequate.

25. **The Panel recommends a special responsibility allowance of £4,188.00 to the Chairmen of the Service Boards; Regulatory Board; and Licensing Board for 2011/12.**

Setting the Chairman of Overview and Scrutiny Committee Allowance

26. The Panel was advised that the last Independent Remuneration Panel in 2002 noted that at that time the work of the Overview and Scrutiny Committee had not yet been substantially developed.
27. After consultation with Councillors and an interview with the current Chairman of Overview and Scrutiny Committee, the Panel felt that the current level of special allowance was not sufficient as the role of the committee and the Chairman had grown. It was felt that the Chairman of the Overview and Scrutiny Committee should receive 75% of the allowance paid to Chairmen of Service Boards.
28. The Panel therefore calculated that the Special Responsibility Allowance for the Chairman of Overview and Scrutiny Committee should be worked out as £4,188.00/ 0.75 which equates to a sum of £3,141.00.
29. **The Panel recommends a special responsibility allowance of £3,141.00 to the Chairman of the Overview and Scrutiny Committee.**

Setting the Vice-Chair of Boards Allowance

30. The Panel agreed with the conclusion of the previous Independent Members Remuneration Panel in 2002, which recommended that Vice - Chairmen should not receive a Special Responsibility Allowance in that role.
31. **The Panel recommends that no special responsibility allowance be paid to the Vice Chairmen of the Service Boards, the Regulatory Board, Licensing Board and Overview and Scrutiny Committee.**

Setting the Opposition Group Leaders Allowance

32. The political make up of the Council is different from that in 2002. The elections in May 2002 resulted in no political group having an overall majority. However the elections in May 2010 resulted in the Conservative Group gaining a majority of seats in Council. Despite this majority, the Panel still recognised the important role in the Council that opposition groups have and on this basis believed it important that they receive a Special Responsibility Allowance.
33. The Panel agreed with the previous report, whereby all opposition group leaders receive a Special Responsibility Allowance.

34. The Panel believed that since the Conservative group have a majority, the Special Responsibility Allowance for opposition group Leaders should not be arrived at by assuming that the Leader of opposition groups was equivalent to a half of the Leaders role. The Panel suggested that the allowance should be calculated at 29%. Therefore, the collective opposition group Leaders' allowance was calculated as £13,078.00 / 29% = £3,793.00.
35. The Panel then calculated the individual opposition group Leaders' Special Responsibility Allowance by expressing it as a proportion of £3,793.00 based on the number of seats each opposition group had in relation to the total opposition seats. The Panel have used the numbers of Councillors elected on 4th May 2010 for the calculation.
36. **The Panel recommend that the Opposition Group Leaders be paid a Special Responsibility Allowance calculated as follows:**
Number of Seats the Group has on the Council divided by the total number of Opposition Seats on the Council x 29% of the Special Responsibility Allowance for the Leader of the Council.
37. *Liberal Democrats Group*
Special Responsibility Allowance equals 6 seats divided by 11 total opposition seats x £3,793.00 = £2,068.91.
38. *Labour Group*
Special Responsibility Allowance equals 3 seats divided by 11 total opposition seats x £3,793.00 = £1,034.45.
39. *Independent Liberal Democrats Group*
Independent Liberal Democrat Group Leaders' Special Responsibility Allowance equals 2 seats divided by 11 total opposition seats x £3,793.00 = £689.64.

Expenses

40. In previous Member Allowance Schemes the Basic Allowance included a provision of up to £500 for telephone and internet use, constituency travel and other appropriate out of pocket expenses incurred on Council business. The Panel felt that these expenses are covered in the Basic Allowance and should not be identified as a separate head within the Basic Allowance. Many Councillors had expressed the view that these expenses are part of the package of being a Councillor and are a part of the Basic Allowance.
41. The only business expense that should be reimbursed is travel on Council business outside of the Borough. This would be reimbursed at 40.9p per mile, similar to Council Officers.

42. **The Panel recommends that Travel Allowance should only be reimbursed for travel outside of the Borough for approved duties and should be reimbursed at the same rate as paid to Council Officers 40.9 pence per mile.**

Index Linking

43. Currently the allowances are linked to rises in the national average daily salary as published in January of each year in the New Earnings Survey and implemented in April of each year. The Panel agreed that this should continue as set out in the previous Member Allowance Scheme.
44. **The Panel recommends that the Basic and Special Responsibilities allowances be linked to rises in the national average weekly earnings as published in January of each year in the New Earnings Survey and implemented in April of each year.**

Childcare and Dependent Carers' Allowance

45. The Panel agreed that it was important to include an allowance for childcare and dependent carer's so as not to prevent people standing as Councillors, or preventing elected Councillors from performing their duties. This was despite the fact that the allowance had not been used for some years.
46. The Panel agreed that the allowance should be paid at the hourly rate for the national minimum wage (currently £5.93) per hour, for attendance at formally approved meetings only (not constituency work). The number of hours to be paid per week is the lower of the total time spent at no more than 2 meetings in that week or 8 hours subject to a maximum allowance of £2000 per year.
47. **The Panel recommends Child Care and Dependent Carers' Allowances be paid at the hourly rate for the National Minimum Wage for attendance at formally approved meetings only (not constituency work). The number of hours to be paid per week is the lower of the total time spent at no more than 2 meetings in that week or 8 hours subject to a maximum Allowance of £2000 per year.**

Co Optees Allowance

48. The current scheme does not include provision for payment of a Co Optees Allowance and the Panel did not consider that this should change.

Suspension

49. The Panel agreed that where a Councillor is suspended or partially suspended, any allowance payable in respect of the period of suspension

or partial suspension should be withheld.

50. **The Panel recommends that where a Councillor is suspended or partially suspended, the Basic Allowance, Special Responsibility Allowance, and Travel Allowance payable in respect of the period of suspension or partial suspension should be withheld.**

Pension

51. The Panel agreed to retain the current pension scheme for Councillors which stated that all Councillors qualify by virtue of the regulations be offered the opportunity to join the Local Government Pension Scheme, that both Basic and Special Responsibility Allowances be treated as amounts in respect of which such pensions are payable.
52. **The Panel recommends that the current Member pension scheme is retained.**

Amendments to Scheme

53. Allowances are paid in respect of the Scheme in operation on 1 April each year. Where amendments are made to the scheme after that date then the Scheme can make provision for that amendment to apply from the beginning of the year i.e. 1 April (changes are backdated).
54. **The Panel recommends that any amendment which affects an allowance payable for the year in which the amendment is made shall apply with effect from 1 April in the year in which the amendment is made.**

Review and Reduction of Council Wards

55. The Panel felt that there were too many wards and that the number of people in each ward differed greatly. The Panel felt that this topic was out of their remit. However, the Panel wished to advise the Council that the review and reduction of wards, particular making each ward more proportionate to each other, would be valuable.

Future Independent Members' Remuneration Allowances Panel

56. The Current Panel were nominated to stand on the Independent Members Remuneration Panel on 2nd November 2010. The term of office is currently 4 years. The Borough Solicitor has recommended reviewing the workings of the Scheme after it has been in operation for a year.

Meetings held by the Independent Remuneration Panel

2nd November 2010 – General meeting (minutes attached as 1a)

23rd November 2010 – General meeting (minutes attached as 1b)

14th December 2010 – General meeting (minutes attached as 1c)

12th January 2011 – Interviews

19th January 2011 – Interviews

26th January 2011 – Interviews

1st February 2011 – Interviews

8th February 2011 – Report writing meeting

**A MEETING OF THE INDEPENDENT REMUNERATION PANEL
WAS HELD ON 02 NOVEMBER 2010**

Panel Members Present: Mr Peter Carroll (P), Mr Richard Carlyle (P) and Mr Andrew Smith (P).

Officers Present: Carly Grainger (note taker) (P), Julian Bowcher (P) and Phillip Reynolds (P).

1. WELCOME AND INTRODUCTIONS

An apology for inability to attend the meeting was received on behalf of the Borough Solicitor.

The Panel and Officers present introduced themselves.

2. ELECTION OF CHAIRMAN FOR THE MUNICIPAL YEAR 2010/11

The Panel felt that a Chairman should be elected at a later meeting when the Panel had determined the scope of their inquiry.

RESOLVED: That the Chairman of the Independent Remuneration Panel for the municipal year 2010/11 be chosen at the next meeting.

3. REVIEW OF THE MEMBERS ALLOWANCE SCHEME

Copies of Gosport Borough Council's Members Allowance scheme, as well as Rushmoor Borough Council, Havant Borough Council, Fareham Borough Council and Havant Borough Council's Scheme of Member Allowances were distributed to members of the Panel. Copies of The Local Authorities (Members' Allowances) (England) Regulations 2003 Act and Guidance on Members' Allowance for Local Authorities in England were distributed.

The Panel was informed that the last Independent Remuneration Panel meeting was held in 2005, with the last major reform of the scheme in 2002. As such the formation of this Independent Remuneration Panel was apt.

The Panel was advised that a report which outlined their recommendations would be presented to Full Council, which would consider their proposals. It was suggested that the report be brought to Full Council in March 2011, so the scheme, if accepted by Full Council, could be implemented in the new municipal year.

The work of the Panel was discussed. The Panel was advised of their three main functions (which were laid out in the Local Authorities (Members' Allowances) (England) Regulations 2001):

1. to make recommendations to the authority as to the amount of basic allowance which should be payable to its elected members;
2. to make recommendations to the authority about the role and responsibilities for which a special responsibility allowance should be payable and as to the amount of each such allowance; and
3. to make recommendations as to whether the authority's allowances scheme should

include an allowance in respect of the expenses of arranging for the care of children and dependents and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.

The Panel discussed the payment of special responsibilities to Councillors. It was noted that Fareham Borough Council employed a point scheme to allocate payment. The Panel was advised that this could be adopted by Gosport Borough Council, but the Panel should take into consideration the different Council structures, as Fareham had a Cabinet structure.

The Panel was advised that currently all Members received a basic allowance which sought to cover hours worked by the Councillor, whether they be general duties including the role Members play in their wards, or as time spent directly on Council business. It was noted that the current basic allowance stood at £5220.

The Panel was also advised that special allowances were paid to Councillors who had significant responsibilities, such as Leader of the Council or Group Leader. It was noted that only one special allowance could be paid to each Councillor and that no more than 50% of the Council could receive that allowance.

The Panel understood that the allowances were not linked to any assessment or performance based criteria.

The Panel felt that it would be useful to have:

- an organisational diagram of the decision making process;
- a list of all Boards and Committees with their membership;
- description of the purpose of each board;
- electronic links to other District Councils schemes of allowance within Hampshire; and
- the amount set aside in the Budget each year for Member Allowances be sent to Panel members.

It was agreed that these would be circulated before the next meeting of the Panel.

4. FUTURE MEETINGS

It was agreed that the next two meetings of the Panel should take place at the Town Hall on:

- 23rd November 2010 at 4pm; and
- 14th December 2010 at 4pm.

The Panel agreed to interview Councillors during the second half of the December Panel meeting.

5. ANY OTHER ITEMS

There was no other items to discuss.

The meeting ended at 5 p.m.

CHAIRMAN

A MEETING OF THE INDEPENDENT REMUNERATION PANEL

WAS HELD ON 23 NOVEMBER 2010

Panel Members Present: Mr Peter Carroll (P), Mr Richard Carlyle (P) and Mr Andrew Smith (P).

Officers Present: Linda Edwards (P) Lisa Young (note taker) (P), Julian Bowcher (P) Phil Reynolds (P)

1. APOLOGIES

There were none.

2. ELECTION OF CHAIRMAN FOR THE MUNICIPAL YEAR 2010/11

The Panel did not feel that a Chairman needed to be elected at this stage.

3. MINUTES OF THE LAST MEETING (2ND NOVEMBER 2010)

RESOLVED: That the Minutes of the meeting held on 2nd November 2010 be approved and as a true and correct record.

4. UPDATE ON MEETING WITH COUNCILLORS

Consideration was given to a briefing note by the Democratic Services Officer which provided an update on organising the interviews for the Panel with Councillors.

The Panel discussed the way in which they would like to progress with the interviewing of Councillors.

It was felt that it would be beneficial to send a questionnaire to Members before the interviews took place, in order to obtain some quantitative data on the role of Members.

The Panel hoped to establish a value of the work that Members undertook and in addition were keen to establish the complexity of the work and the time spent on it.

It was also felt that the questionnaire would provide Members with an opportunity to advise the Panel what they felt the allowance was for.

It was hoped that the interview would provide Members with the option to elaborate on any of the questions from the survey and make any additional points they may have.

The Panel felt that the interview with a Member scheduled for 14th December, should be postponed to allow for a questionnaire to be distributed to all Members to allow some quantitative data to be evaluated.

It was hoped that the content of the survey could be confirmed and distributed by 14th December. It was to be requested that the surveys be returned by the 5th January 2011 to allow the data to be evaluated before the interviews commenced on 12th January.

It was requested that sample questionnaires from other local authorities be obtained and

distributed to Members of the Panel before 26th November to allow them to consider them and draft a questionnaire for Members.

It was requested that an additional date for interviewing be sought, to allow the panel to interview the Chairmen of the Overview and Scrutiny Committee and Regulatory and Licensing Boards and to reschedule the meeting with a Councillor postponed from 14th December.

The Panel were advised that the Regulatory Board and the Licensing Board were non-political and that they met more frequently than the service Boards. In addition, public attendance at these Boards was significantly greater.

The Panel were hopeful that the questionnaire responses would provide them with a better understanding of the workloads of Members.

RESOLVED: That

- a) the interview of a Councillor on Tuesday 14th December be postponed, but that the Panel still meet;
- b) research be undertaken into the questionnaires distributed by Remuneration Panels at other Local Authorities;
- c) the Panel produce and agree a questionnaire to be distributed to Members by the 8th December;
- d) the a deadline for the return of questionnaires be set as 5 January 2011, to allow analysis of results to take place; and
- e) an additional day for interviewing be confirmed to allow for the interviews of the Chairmen of the Overview and Scrutiny Committee, Licensing and Regulatory Boards, as well as the meeting with a Councillor rescheduled from 14th December.

5. REVIEW OF THE MEMBERS ALLOWANCE SCHEME

The Borough Solicitor provided the Panel with background information into the structure of Gosport Borough Council. They were advised that the Council was a fourth option authority; it differed from a Cabinet system as Members did not have individual decision making responsibility.

The structure of the Council was explained to the Panel, including a brief explanation of the function of the Chairman at the different Boards and Committees.

The Panel were also advised that, even with the Council being a fourth option authority, the Overview and Scrutiny Committee was compulsory function. The Panel therefore felt it was necessary to interview the Chairman of Overview and Scrutiny Committee.

It was requested that investigations be made into the allowances paid by other fourth option authorities, to allow a more like for like comparison.

It was confirmed that all Members of Gosport Borough Council currently received the Members Allowance, but that it was optional to receive payment.

The Panel discussed the payment of the Members Allowance to any Member suspended from the Council. It was acknowledged that any Member suspended would not be able to take part in Council meetings or other Council business, but accepted that there would still be work to undertake as a result of queries from constituents.

The Panel were advised that Members were paid one twelfth of their total allowance monthly, that the payment was subject to PAYE and that the payment had to be monetary. A pension scheme was available to Members. The payment made is in recognition of the work undertaken.

It was acknowledged that the Members Allowance, Special Responsibility Allowance and mileage rates varied across different Councils. It was important to recognise that this was reflective of the different responsibilities held by Members and the scale of the area in which their work was undertaken in.

The Panel discussed whether any increase in the Allowance over the four years should be linked to an index. It was requested that investigations be made into the indices used by other authorities to increase Members Allowances annually.

The Panel discussed the impact of the payment on other incomes. The payment would affect any benefits received. The Panel questioned whether this was likely to be preventative factor in people putting themselves forward to be Councillors and whether a larger allowance would encourage more people to consider taking on the role. The Panel were also advised that a dependants allowance could be paid. It was felt that the financial benefits/implications of becoming a Councillor should be included within the questionnaire.

It was recognised that Councillors who worked full time were often left out of pocket as they would have to take time off and adjusted their working hours to attend Council business.

The Panel were keen to establish whether a greater Members Allowance would encourage a wider selection of candidates.

It was acknowledged that a performance related Members Allowance would be impossible to implement. The Panel felt that they would need a more detailed understanding of the work undertaken by Members and it was hoped that the questionnaire would prove a useful tool in this.

It was felt that the effectiveness of Members was reflected in whether the Councillor was re-elected.

The Panel accepted that there would be a wide variation in the work undertaken by Councillors and that it was their responsibility to pitch the Members Allowance at the right level.

6. ANY OTHER ITEMS

There were no other items to discuss.

The meeting ended at 5.32 p.m.

CHAIRMAN

A MEETING OF THE INDEPENDENT REMUNERATION PANEL

WAS HELD ON 14 DECEMBER 2010

Panel Members Present: Mr Peter Carroll (P), Mr Richard Carlyle (P) and Mr Andrew Smith (P).

Officers Present: Carly Grainger (note taker) (P)

1. APOLOGIES

There were none.

2. MINUTES OF THE LAST MEETING (23rd NOVEMBER 2010)

RESOLVED: That the Minutes of the meeting held on 23rd November 2010 be approved as a true and correct record.

3. QUESTIONNAIRE FOR COUNCILLORS

Consideration was given to the questionnaire collated by Mr Carlyle. The Panel was informed that the questionnaire was a combination of the previous Independent Remuneration Panel questionnaire circulated and previous Panel discussions.

The Panel discussed Members' allowances in relation to suspension. It was felt that Councillors should be suspended by an independent panel and then only reinstated by that Panel. Once suspended allowances should cease. However, the Panel noted that this was outside of their remit. The Panel inquired whether suspension was considered by Gosport Borough Council as an implication of guilt or not. The Democratic Services Officer undertook to report back to the Panel with this information.

The Panel felt that Councillors should not be out of pocket through being a Borough Councillor and this should be reflected in the allowances available, especially regarding the carer's allowance. The Panel discussed the different ways of calculating a fair amount for a carer's allowance. The options considered included the minimum wage and an increase in amount per hour, in line with the market rate for childcare. However, if the rate were to increase, the amount should be viable, especially in the current economic climate. It was agreed that the Democratic Services Officer would report back to the Panel as to whether any Councillors had requested a carer's allowance in the last 4 years and, if so, how much they had claimed.

The Panel approved the questionnaire. It was agreed that it be circulated on Thursday 16th December 2010 by email and for all responses to be received by the Democratic Services Officer by Wednesday 5th January 2011. The Democratic Services Officer would forward responses to the Panel by Friday 7th December including analysis of the data received. This would allow analysed data to be considered by the Panel before their first set of interviews on 12th January 2011.

RESOLVED: That

- a) the Democratic Services Officer report back to the Panel with the answer to the Councillor suspension question;

- b) the Democratic Services Officer report back to the Panel regarding the current carers allowance;
- c) the questionnaire be approved; and
- d) the questionnaire be circulated by the Democratic Services Officer on Thursday 16th December 2010 to be completed by Wednesday 5th January 2011.

4. FOURTH OPTION RESEARCH

The Panel considered a report from the Democratic Services Officer which contained the Member Allowance schemes for five other fourth option Councils. The Councils chosen were: Christchurch Borough Council, Melton Borough Council, Selby District Council, West Dorset District Council and Weymouth and Portland Borough Council.

The Panel asked to see the budgets for the chosen fourth option Councils.

RESOLVED: That, the Democratic Services Officer provide the Panel with the 2009/10 budgets for the selected fourth option Councils.

5. INTERVIEWS WITH COUNCILLORS

The Panel considered a report from the Democratic Services Officer which confirmed the dates and times for Councillor interviews in 2011 and arranged a date for Councillor Wright's interview.

The Panel agreed that the Democratic Services Officer would create a set of questions for each Councillor's interview. It was agreed that the first question to all Councillors would be a general introductory question, allowing the Councillor to introduce themselves and inform the Panel of their role and responsibilities within the Council. The remainder of questions to all Councillors would be based on questions A3, A7, A9 and B1 from the questionnaire. The interviews would end by asking for a closing statement regarding Members' allowances.

The Panel decided to ask Councillors if they had other employment other than being a Councillor and whether Councillors who had other employment felt the allowances were sufficient.

The Panel agreed to hold Councillor Wright's interview on Tuesday 1st February 2011 at 4pm.

The Panel agreed to hold their next meetings after the interview on 1st February 2011 at 5pm and 8th February 2011 at 4pm.

RESOLVED: That

- a) the report of the Democratic Services Officer be noted;
- b) the Democratic Services Officer circulate a list of questions to the Panel for the interviews with Councillors;
- c) Councillor Wright's interview be held on Tuesday 1st February 2011 at 4pm; and
- d) the next two meetings of the Panel take place at the Town Hall on 1st February 2011 at 5pm and 8th February 2011 at 4pm.

6. MEMBERS ALLOWANCE – GENERAL DISCUSSION

After brief consultation of the other fourth option Council's Member Allowance schemes, the Panel felt that the basic allowance provided by Gosport Borough Council was in line with other Councils.

The Panel discussed the special responsibility allowance for Chairmen of the Service Boards, Regulatory Board, Licensing Board and Overview and Scrutiny Committee. The Panel noted the discrepancy of amounts allocated for each Chairman and questioned whether this was a fair allocation of funds, especially in relation to workloads of each Board. The Panel requested that the Democratic Services Officer provide the Panel with details of the workloads of the Chairmen and Members of the above Boards and Committee.

The Panel asked the Democratic Services Officer to find out whether Councillors are provided with computer and other IT equipment when they become a Councillor.

The Panel considered the effect Members Allowances may have on unemployment benefits. The Democratic Services Officer was asked to research this and report back to the Panel.

The Panel felt that their report on Members Allowances should bear in mind the current financial climate and public sector funding cuts.

RESOLVED: That

- a) the Democratic Services Officer provide the Panel with details of the workloads for the Chairmen and Members of the Boards and Committees;
- b) the Democratic Services Officer find out whether Councillors are provided with computer and other IT equipment when they become a Councillor; and
- c) the Democratic Services Officer research whether Members Allowance would effect the amount of unemployment benefits a person could receive.

7. ANY OTHER BUSINESS

There were no other items to discuss.

The meeting ended at 5.30 p.m.

CHAIRMAN

Appendix two

The Panel was provided with copies of the following four fourth options local authorities:

1. Christchurch Borough Council
2. Melton Borough Council
3. Selby District Council
4. Weymouth and Portland Borough Council

Independent Remuneration Panel

Research supporting Gosport Borough Council

Review of Members' Allowance Scheme 2010

Survey to Members on Members' Allowances

The Independent Remuneration Panel has been asked to provide Gosport Borough Council with a review and recommendations for change of the Members' Allowance Scheme.

This survey aims to gather evidence and the view of members focussed on the three main functions of the Panel:

1. To make recommendations to the authority as to the amount of basic allowance which should be payable to elected members.
2. To make recommendations to the authority about the role and responsibilities for which paid responsibility allowances should be payable, and as to the amount of each such allowance.
3. To make recommendations as to whether the authority's allowance scheme should include an allowance in respect of the expenses of arranging for the care of children and dependents and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.

A) Basic Allowance

Q1: Whatever your role, how many hours on average do you spend each week on council business?

Answer:

Q2: In a typical week, please record the average number of hours spent on each activity.

Answer:

Attending Meetings	Working in your ward	Community work	Research	Other

Q3: The basic allowance is currently £5,220 per year. Do you feel it should be higher or lower?

Answer: Higher Lower (Please circle answer)

Q4: In no more than 30 words please explain your answer to Q3.

Answer:

Q5: The 'basic allowance' considers the number of days worked minus a 'voluntary discount'. Local authorities can apply a discount of 33-50%. The current discount is 40%.

Do you feel this is broadly right?

Answer: Yes or No (Please circle answer)

Q6: In no more than 30 words please explain your answer to Q5.

Answer:

Q7: Allowances are linked to changes in the national average daily salary as published in January each year at the New Earnings Survey and implemented in April of each year.

Are you satisfied that this secures a sense of parity with others and responds to changes in the economic climate?

Answer: Yes or No (Please circle answer)

Q8: In no more than 30 words please explain your answer to Q7.

Answer:

Q9: Part of the basic allowance includes provision up to £500 as reimbursement of telephone, travel and out of pocket expenses incurred on Council business.

Is this provision adequate?

Answer: Yes or No (Please circle answer)

Please outline any changes you would suggest.

Q10: Other comments you would like to make about the 'basic allowance'

B) Special Responsibility Allowances

Q1: Would you like to see any changes made to these allowances?

Answer: Yes or No (Please circle answer)

If 'yes' please outline a summary of changes.

Q2: Do you have a Special Responsibility Allowance?

Answer: Yes or No (Please circle answer)

Role Title:

Detail additional hours on average per week assigned to this role.

Answer:

Q3: Should the role of Chairman of Overview and Scrutiny have a special responsibility allowance equal to the Chairman of Service Boards and Regulatory and Licensing Boards?

Answer: Yes or No (Please circle answer)

Q4: Do you think the Leader of the Council's role is a fulltime one?

Answer: Yes or No (Please circle answer)

C) Carer's Allowance

Q1: A Child Care and Dependent Carer's Allowance of £4.20 per hour for a maximum of 8 hours per week or two meetings is currently available.

Should this rate be increased, decreased or stay the same?

Answer: Increase Decrease Stay the same (Please circle answer)

Q2: Please suggest alternatives to this allowance.

Other comments about the allowance process.

Thank you for your views.

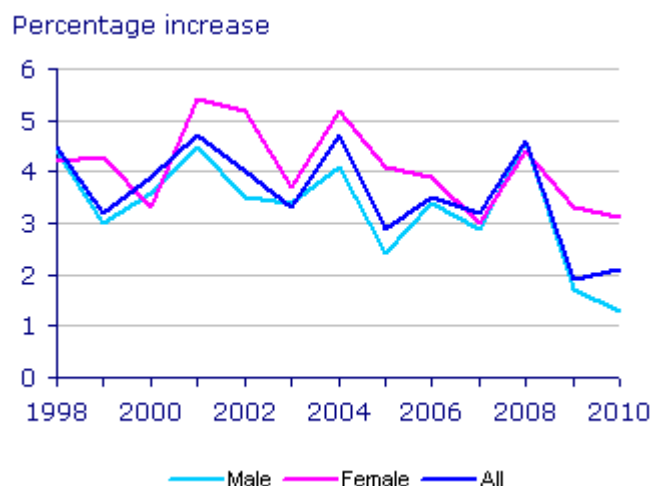
Please return a hard copy of your completed survey to Carly Grainger (Democratic Services) by **Wednesday 5th January 2011**.

Name:

Date:

Signed:

Labour Market
Earnings
2010 Survey of Hours and Earnings



Growth in median gross weekly earnings of full-time employees by sex, United Kingdom

Results from the 2010 ASHE (Annual Survey of Hours and Earnings) show that median weekly pay for full-time employees in the UK grew by 2.1 per cent in the year to April 2010, to reach £499. Median earnings of full-time male employees were £538 per week in April 2010; for women the median was £439.

Ten per cent of full-time employees earned more than £984 per week, while 10 per cent earned less than £276. Between April 2009 and April 2010 the distribution of gross weekly pay narrowed, with a 2.0 per cent increase at the bottom decile and a 1.3 per cent increase at the top decile.

Median gross weekly earnings for full-time employees were highest for 40 to 49-year-olds at £560. Male employees reached their highest earnings in this age group at £614, whereas women reached their highest earnings for 30 to 39-year-olds at £508. Earnings increased until employees reached these age groups and steadily decreased thereafter.

The difference between the median level of full-time earnings in the public sector (£554 per week) and the private sector (£473 per week) widened over the year to April 2010, following annual increases of 3.0 per cent and 2.0 per cent respectively.

Median full-time weekly earnings in London were £642, significantly higher than in other regions, where they ranged from £441 in Northern Ireland to £524 in the South East.

The full-time occupations with the highest earnings in 2010 were 'Health professionals' (median pay of full-time employees of £1,067 a week); followed by 'Corporate managers' (£757); and 'Science and technology professionals' (£704). The lowest paid of all full-time employees were those in 'Sales occupations', at £287 a week.

Source: Office for National Statistics

Notes:

Chart, Percentage Increases are Employees on adult rates, pay unaffected by absence.

Occupation data is taken from the sub-major group level of the Standard Occupational Classification 2000.

The median is the value below which 50 per cent of employees fall.

Pay refers to gross pay (before tax) of full-time employees on adult rates whose pay for the survey week was unaffected by absence. Annual and weekly earnings include paid overtime.

The Annual Survey of Hours and Earnings is based on a sample of employee jobs taken from HM Revenue & Customs PAYE records. The 2010 ASHE is based on approximately 181 thousand returns and in 2010 information was collected for the pay period that included 21 April.

http://www.statistics.gov.uk/cci/nugget_print.asp?ID=285

Published on 8 December 2010 at 9:30 am

AGENDA ITEM NO. 15

Board/Committee:	ADJOURNED ANNUAL COUNCIL
Date of Meeting:	19 MAY 2011
Title:	TREASURY MANAGEMENT – INVESTMENT STRATEGY
Author:	DEPUTY CHIEF EXECUTIVE & BOROUGH TREASURER
Status:	FOR DECISION

Purpose

To consider an amendment to the Council's Investment Strategy that will offer the Council more flexibility to place temporary surplus funds securely with the prospect of improved returns by virtue of reduced management fees.

Recommendation

It is recommended that the Council amends the Treasury Management Strategy to specifically include use of UK Regulated Qualifying Money Market Funds.

1 Background

- 1.1 The investment Strategy for 2011/12 to 2013/14 was considered and approved as part of the general Treasury Management report in February 2011 and is attached as Appendix A.
- 1.2 The increasing availability of very secure Money Market Funds for use as an investment counterparty warrant an extension to the strategy before the next scheduled review.

2 Report

- 2.1 The Council has been satisfactorily using a triple A rated Money Market Fund operated by the Royal Bank of Scotland for several years, primarily for the placement of short term monies to which ready access is required. As more funds appear on the market it would be more appropriate to facilitate flexibility in the choice of fund by amending the Treasury Management Strategy to specifically include the following generic counterparty definition:
"UK Regulated Qualifying Money Market Funds"
- 2.2 In particular, this amendment will allow the Council to use a new mutual fund that is shortly to be established with the support of the Local Government Association, with the prospect of improved returns by virtue of lower management fees.

- 2.3 A revised Investment Strategy incorporating the effect of this amendment is attached as Appendix B.

3 Risk Assessment

- 3.1 Extending the flexibility to use UK Regulated Qualifying Money Market Funds as counterparties for temporary deposits will reduce future investment risk.

4 Conclusion

- 4.1 The proposal to extend the ability to make use of UK Regulated Qualifying Money Market Funds as counterparties will offer the Council more flexibility to place temporary surplus funds securely whilst offering the prospect of improved returns.

Financial Services comments:	None
Legal Services comments:	None
Service Improvement Plan implications:	None
Corporate Plan:	N/A
Risk Assessment:	See section 3 of the report
Background papers:	None
Appendices/Enclosures:	
Appendix 'A'	Investment Strategy 2011/12 to 2013/14 - Current
Appendix 'B'	Investment Strategy 2011/12 to 2013/14 - Proposed
Report author/ Lead Officer:	Peter Wilson

Investment Strategy 2011/12 to 2013/14 - Current

The key objectives of the Council's investment strategy are security, liquidity and yield in that order.

In order to limit interest rate exposure all investments other than short term surplus funds are to be fixed rate transactions. No Investments are to exceed 3 years although most will not exceed 364 days.

New investments to be placed with:-

- The top three building societies (currently Nationwide, Coventry and Yorkshire)
- The Council's bank – NatWest (part of the RBS Group)
- The major British banks and their wholly owned subsidiaries (Royal Bank of Scotland, HSBC, Lloyds/HBOS, Barclays and Co-op)

Short term surplus funds are to be invested in money market funds or deposit accounts as operated by the Royal Bank of Scotland and the Bank of Scotland. These offer immediate deposit and withdrawal facilities but still at advantageous rates of interest.

- A £3m limit applies with any single group other than the Council's Bank.

Whilst credit ratings may be considered, undue reliance will not be placed on these. There is a clear operational difficulty arising from the current banking situation. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness and interest rates suggests short dated investments may provide lower exposure to risk.

Investment Strategy 2011/12 to 2013/14 - Proposed

The key objectives of the Council's investment strategy are security, liquidity and yield in that order.

In order to limit interest rate exposure all investments other than short term surplus funds are to be fixed rate transactions. No Investments are to exceed 3 years although most will not exceed 364 days.

New investments to be placed with:-

- The top three building societies (currently Nationwide, Coventry and Yorkshire)
- The Council's bank – NatWest (part of the RBS Group)
- The major British banks and their wholly owned subsidiaries (Royal Bank of Scotland, HSBC, Lloyds/HBOS, Barclays and Co-op)

Short term surplus funds are to be invested in either deposit accounts as operated by the Royal Bank of Scotland and the Bank of Scotland or UK Regulated Qualifying Money Market Funds.

- A £3m limit applies with any single group other than the Council's Bank.

Whilst credit ratings may be considered, undue reliance will not be placed on these. There is a clear operational difficulty arising from the current banking situation. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness and interest rates suggests short dated investments may provide lower exposure to risk.