

Arun District Council

REPORT TO:	Audit & Governance Committee – 25 July 2023
SUBJECT:	Members' Allowances Scheme – Progressing the Next Review
LEAD OFFICER:	Daniel Bainbridge, Group Head of Law and Governance (Monitoring Officer)
LEAD MEMBER:	Cllr James Walsh
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: To comply with The Local Authority (Members' Allowances) (England) Regulations 2003 in terms of how regularly a council should conduct a review of its Members' Allowances Scheme, which should be reviewed at least every four years.	
DIRECTORATE POLICY CONTEXT: Responsibility for these matters sits within the remit of the Group Head of Law & Governance.	
FINANCIAL SUMMARY: There are no financial implications associated with this report.	

1. PURPOSE OF REPORT

- 1.1 The Audit & Governance Committee has responsibility for reviewing Councillor Allowances based on reports received from the Council's Independent Remuneration Panel (IRP) created under the Local Authorities (Members' Allowances) Regulations 2003.
- 1.2 The last full review of the Members' Allowances Scheme was approved by Council in July 2019. An interim review was undertaken by the IRP in November 2020 and reviewed the Special Responsibility Allowances of the Leader and Deputy Leader of the Council and Cabinet Members in preparing the Council's move from a Leader and Cabinet form of governance to a Committee system. This review examined the Special Responsibility Allowances (SRAs) that should be paid to the Service Committee Chairs and Vice-Chairs forming the structure. The recommendations approved by the Audit & Governance Committee were then approved by Council in January 2021.

2. RECOMMENDATIONS

- 2.1 The Audit & Governance Committee is requested to:

- (1) Note the approach to be taken by the Independent Remuneration Panel for its next review in terms of the timetable proposed; and

(2) Outline any areas that it wishes the Panel to review not covered in Paragraph 4.5 of this report.

2. EXECUTIVE SUMMARY

- 2.1. Now that the Committee system has been in place for some time, since May 2021, it is timely to undertake a review of all allowances, and because the last full review was undertaken in July 2019.
- 2.2. It is also timely to undertake this review following the District Elections held on 4 May 2023.

3. DETAIL

3.1. It is the duty of the IRP to review at least every four years the Council's Members' Allowances Scheme.

3.2. For the benefit of the Committee, the Terms of Reference of the Panel are outlined below. It is proposed that these remain unchanged as these have been previously agreed by the Audit & Governance Committee. Only slight changes have been made to remove reference to the 'Cabinet' and 'Cabinet Members'. As an aid memoire, the Panel's Terms of Reference are to consider/review:

- the nature and type of role and responsibility of Elected Members and the level of commitment involved
- the difference in responsibility and time commitment of Leading Members; Committee Chairs and Vice-Chairs, and back-bench Members and the Chair and Vice-Chair of the Council and other Members with specific responsibilities
- schemes operating elsewhere in authorities similar to Arun
- the level of remuneration paid for other types of public duties
- whether allowances should be payable to meet Members out of pocket expenses
- the need to attract and retain Members of appropriate calibre and representative of the demographic make-up of the District
- the need to ensure that the scheme is straight-forward and economic to operate and justified in terms of affordability (in the public's perception) and working within existing budgetary constraints
- a scheme that aims to compensate for the time put into the roles and responsibilities undertaken – bearing in mind that there should be an element of public service
- a scheme that encourages Councillors to work flexibly and to develop themselves and their role in the community.

The following general principles should be applied:

- membership of the Council should be as inclusive as possible so as to allow all types of people to become a Councillor
- the need to encourage people to stand as Councillors – not to see a lack of remuneration/loss of earnings as a deterrent
- Members should be able to renounce all or part of their allowances

- account should be taken of hidden costs of Council membership
- account should be taken of any additional and/or onerous responsibilities undertaken by Members
- there should be an unremunerated element to service as a Member
- some recompense should be available to Councillors with care responsibilities
- the desirability of clearer public accountability for the work of Members
- allowances should be broadly in line with those paid by adjacent Authorities and those of a similar size
- the scheme of allowances should be equitable, transparent and simple to understand and administer while being affordable and justifiable in the perception of the public.

3.3 The Panel does not intend to provide an interim progress report to the Committee, it will present its draft outcome report with recommendations from the review to the meeting of the Audit & Governance Committee in February 2024 in line with the timetable set out later in this report.

3.4 There will be many issues for the Panel to examine in detail in undertaking this review following the changes to the governance structure since the 2019 review, including Responsibilities for Functions of the Council's Committees.

3.5 In undertaking a full review of the Members' Allowances Scheme, the Panel will be considering:

- A separate review for Town and Parish Council Allowances in terms of their Basic Allowances and Chair's Allowances
- For the District Council - The Basic Allowance
- Special Responsibility Allowances – a request has been made to examine introducing an SRA for the Chair of Licensing Sub-Committees (where they are not also the Chair of the Licensing Committee) on a meeting-by-meeting basis.
- Travel and Subsistence Allowances
- Co-Optees'/Independent Persons Allowances
- Dependants' Adult Carers' Allowances
- Childcare Allowance
- Updating if required the Approved Councillor Duties via recommendations to the Constitution Working Party

4.6 The Panel has concluded that asking Members to keep a diary log should not be requested for this review due to the lack of responses received in the past.

4.7 The Panel in examining the key issues to consider as part of the review will draft a questionnaire for Members to complete as well as holding interviews and exit surveys with current/ex councillors and officers. This is considered to be particularly important in view of the changes to Councillor roles due to the Committee structure having been introduced since 2019. In conjunction with the work undertaken on the questionnaire, the Panel will also be undertaking research work on reviews undertaken by other authorities that are of a similar size and structure to Arun. Other research is also taking place with South-East

Employers who survey around 80 local authorities on the allowances they pay. This is a useful comparison tool for the Panel to use as part of its review.

4.8 The Panel is proposing the following timetable for undertaking its review:

Researching reviews undertaken by neighbouring authorities and those operating a Committee system. Examining the results of the SEEMP Annual Survey	July to September 2023
Members' Seminar to be held to explain more about the role of the IRP	September/October 2023
Allowances questionnaire to be sent to all Members of the Council [following the Seminar]	September/October 2023
Questionnaire to be returned to Committee Services	November 2023
Questionnaire Analysis and Review Period	November/December 2023
Councillor Interviews [Selection criteria to be agreed]	October and November 2023
Drawing of Conclusions and Preparation of Recommendations	December 2023
Review to be concluded	End of January 2024
Meeting of the Audit & Governance Committee to consider the Panel's report and to agree a new scheme to recommend onto Full Council	27 February 2024
Recommendations considered by Full Council for adoption	13 March 2024

4.9 Working to this timetable will allow the Panel sufficient time to consider any additional areas that Members may request should be considered as part of the review.

5.0 CONSULTATION

5.1 In line with the Constitution at Part 3 – Responsibility for Functions, the Audit & Governance Committee has responsibility for overseeing the work of the Independent Remuneration Panel in its periodic consideration of members' allowances. This report is consulting with the Committee in terms of how the Panel intends to undertake its next review of the Members' Allowances Scheme. Further consultation to include a questionnaire are referred to within the report above.

6 OPTIONS / ALTERNATIVES CONSIDERED

- 6.0 At the time of writing this report, there are no other alternative proposals in place in terms of how the next review of the Members' Allowances Scheme will be undertaken. To not agree to undertake a review could put the Council at risk as this would mean that the Council would not be complying with The Local Authority (Members' Allowances) (England) Regulations 2003 in terms of how regularly a council should conduct a review of its Members' Allowances Scheme.

7 COMMENTS BY THE INTERIM GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 7.0 Any additional costs arising from the review will have to be funded within the existing budget. Officers will work together to identify such funding and will report back to Members.

8 RISK ASSESSMENT CONSIDERATIONS

- 8.0 None associated with this report.

9 COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1 The Council must have regard to the recommendations of the Panel when determining the scheme of Members' Allowances.
- 9.2 The 2003 Regulations place certain duties on local authorities in connection with publicising the recommendations made by the Independent Remuneration Panel, the scheme of allowances adopted, and the actual allowances paid to Members in any given year. The Regulations also place the responsibility on the Council to ensure that copies of the Independent Remuneration Panel's report and recommendations are available for inspection at the Council's principal offices at all reasonable times and publish a notice in at least one newspaper circulating in the area.
- 9.3 The subsequent guidance to the Regulations, issued jointly by the Office of the Deputy Prime Minister and the Inland Revenue, urges local authorities to publicise more widely the report from the Independent Remuneration Panel, the scheme of allowances and the sums paid to each Councillors with the suggestion that, where possible, this information be published on the Council's website. Supporting information and explanations are also encouraged.

10 HUMAN RESOURCES IMPACT

- 10.0 None associated with this report.

11 HEALTH & SAFETY IMPACT

- 11.0 None associated with this report.

12 PROPERTY & ESTATES IMPACT

12.0 None associated with this report.

13 EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.0 None associated with this report.

14 CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.0 None associated with this report.

15 CRIME AND DISORDER REDUCTION IMPACT

15.0 None associated with this report.

16 HUMAN RIGHTS IMPACT

16.0 None associated with this report.

17 FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.0 None associated with this report.

CONTACT OFFICER:

Name: Daniel Bainbridge

Job Title: Group Head of Law and Governance (and Monitoring Officer)

Contact Number: 01903 737607

BACKGROUND DOCUMENTS: None.