

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF THE AUDIT & GOVERNANCE COMMITTEE ON 30 JULY 2020

SUBJECT: Members Allowances – Progressing the Next Review and Extension of Appointment for the Independent Panel

REPORT AUTHOR: Nigel Lynn – Chief Executive
DATE: 8 July 2020
EXTN: 37600
PORTFOLIO AREA: Corporate Support

EXECUTIVE SUMMARY:

The Committee has responsibility for reviewing Councillor Allowances based on reports received from the Council's Independent Remuneration Panel created under the Local Authorities (Members Allowances) Regulations 2003.

This report informs the Committee of the Panel's proposals to take forward the next review of the Members' Allowances Scheme and it seeks the Committee's approval to extend the existing appointments of the Panel to allow this to be undertaken.

RECOMMENDATIONS:

The Committee is requested to:

- (1) Note the approach to be taken by the Independent Panel for its next review; and
- (2) Agree to extending the terms of office for all five members of the Panel until 31 March 2023.

1. BACKGROUND:

1.1 During 2018, a new Independent Remuneration Panel was recruited and in 2018/19 this Panel worked on the eighth review of the Members' Allowances Scheme which was formally adopted by Full Council on 17 July 2019.

1.2 At Full Council on 15 January 2020, the decision was made to change the Council's governance arrangements by ceasing to operate a Leader and Cabinet form of governance and to move to operating a Committee system form of governance to be implemented at the Annual Meeting of the Council on 19 May 2020.

1.3 The Council also resolved that the Independent Remuneration Panel be convened to make recommendations for future Special Responsibility Allowances under the Members' Allowances Scheme in light of the changes made to its governance arrangements and to report back to the Audit & Governance Committee by November 2020.

1.4 Work on the Panel's review is therefore now underway. The Panel proposes to focus only on making recommendations that will provide for Special Responsibility Allowances to be paid to the Chairman and Vice-Chairman of the new six Service Committees as set out in the structure approved at Full Council on 15 January 2020, namely:

- Corporate Policy and Performance
- Corporate Support
- Planning Policy
- Residential and Wellbeing Services
- Environment and Neighbourhood Services
- Economic

1.5 The Review will be limited to agreeing upon the level to be paid for these allowances only. All other elements of the Members' Allowances Scheme will remain as approved by Full Council on 19 July 2019, unless the Committee makes any specific recommendation to review any other aspect of the Members' Allowances scheme.

1.5 As this review will be focusing upon new roles, the Panel will seek advice from Group Leaders; Cabinet Members and other Committee Chairman and Officers before framing a set of proposals. Account will also be taken of the ongoing review being undertaken by the Constitution Working Party and the level of allowances paid by comparable Authorities operating similar arrangements.

1.6 The Panel will propose as part of its report that it returns in 2022 to review how the new arrangements have settled in and whether the Special Responsibility Allowances in place remain to be appropriate.

1.3 It is proposed that the Terms of Reference of the Panel remain unchanged as these have been previously agreed by the Audit & Governance Committee. 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; back-bench Members and the Chairman and Vice-Chairman 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.

1.4 The Panel does not intend to provide an interim progress report to the Committee, it will present its draft outcome report with recommendations for the review to the meeting of the Audit & Governance Committee on 19 November 2020, allowing recommendations to be reported to Full Council in January 2021.

2. PROPOSAL(S):

TIMETABLE FOR THE REVIEW

2.1 There will be many issues for the Panel to examine thoroughly in undertaking this review, and so it proposes the following timetable for its conclusion:

Researching reviews undertaken by authorities already operating a Committee system and examining the results of the SEEMP Annual Survey	August 2020
Councillor Consultations	September 2020
Drawing of Conclusions and Preparation of Recommendations	October 2020
Review to be concluded	1 November 2020

Meeting of the Audit & Governance Committee to consider the Panel's final draft report and to agree a new scheme to recommend onto Full Council	19 November 2020
Recommendations considered by Full Council for adoption	13 January 2020

TERMS OF OFFICE FOR THE INDEPENDENT REMUNERATION PANEL

2.8 It is proposed that following consultation with Group Leaders, the term of office for all five members of the Panel be extended to 31 March 2023 to allow this review and a further review to be conducted in 2022 and to ensure continuity of experience on the Panel.

3. OPTIONS:

- (1) To agree to proceed with the next review of the Members Allowances scheme in line with the proposals set out within the report; and
- (2) the terms of office for the Panel be extended to 31 March 2023

4. CONSULTATION:

Consultation will need to be undertaken with Group Leaders on the proposals ahead of the Audit & Governance Committee meeting.

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		x
Relevant District Ward Councillors		x
Other groups/persons (please specify)		
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	x	
Legal		x
Human Rights/Equality Impact Assessment		x
Community Safety including Section 17 of Crime & Disorder Act		x
Sustainability		x
Asset Management/Property/Land		x
Technology	x	
Other (please explain)		x

6. IMPLICATIONS:

The Committee is urged to support the proposals in place for the next review of the Members Allowances scheme so that a new scheme is in place for when the new Committee structure is adopted by the Council in May 2021.

7. REASON FOR THE DECISION:

To review the existing scheme so that the level of Special Responsibility Allowances paid to the Chairman and Vice-Chairman of the six new Service Committees as set out in the structure approved by Full Council on 15 January 2020 reflects the changes made to the Council's governance arrangements

8. BACKGROUND PAPERS:

Full Council – agenda and minutes – 15 January 2020 -
<https://democracy.arun.gov.uk/ieListMeetings.aspx?Committeeld=141>

Existing Members Allowances scheme -
<https://democracy.arun.gov.uk/ieListDocuments.aspx?CId=141&MId=768&Ver=4>

Local Authorities (Members' Allowances) (England) Regulations 2003 – to access these papers, please click on this link <http://www.legislation.gov.uk/uksi/2003/1021/contents/made>