

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF THE AUDIT & GOVERNANCE COMMITTEE ON 11 NOVEMBER 2020

SUBJECT: Independent Remuneration Panel's Consideration of an Initial Members' Allowances Scheme for a Change in Arun District Council's Form of Governance

REPORT AUTHOR: Nigel Lynn – Chief Executive
DATE: November 2020
EXTN: 01903 737600
PORTFOLIO AREA: Corporate Support

EXECUTIVE SUMMARY:

The purpose of this report is to ask Members to consider the findings and recommendations of the Independent Remuneration Panel as set out in its report attached and to consider whether to accept the proposed amendments to the Council's Members' Allowances Scheme.

The Panel's report will be presented by the Chairman of the Panel, Mr John Thompson, MBE and the remaining members of the Panel will be present to respond to questions from Members.

RECOMMENDATIONS:

The Committee is asked to:

- (1) To consider the findings and recommendations of the Independent Remuneration Panel as set out in its report attached and to consider whether to accept the proposed amendments to the Council's Members' Allowances Scheme; and
- (2) Make recommendations to Full Council on 13 January 2020.

1. BACKGROUND AND PROPOSALS:

1.0 Local Authorities are required under legislation to establish and maintain an Independent Remuneration Panel, which will broadly have the functions of providing advice on its Members' Allowances Scheme and the amounts to be paid.

1.1 The Council's Independent Remuneration Panel was established in 2018 and in 2018/19 conducted a full review of the Council's Members' Allowances Scheme which was formally adopted by the Council on 17 July 2019.

- 1.2 At Full Council on 15 January 2019, 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 2021.
- 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 The Panel has therefore met as there is a need for the adoption of a revised scheme that will be fit for purpose under the new arrangements.
- 1.5 An interim report was submitted to this Committee on 30 July 2020 informing Members of the Panel's proposals to take forward its review which was noted by the Committee with no concerns on the approach being taken to this review being raised.
- 1.6 Until the new governance scheme has been operational for a while, it is not possible to fully evaluate the level of responsibility of key positions and for that reason it is appropriate for the Council to adopt an initial Members' Allowances Scheme which can then be revisited when the new Committee system has been operational for a while.
- 1.7 As it is only the responsibilities of various roles that will change as a consequence of the new arrangements, this review has focused on the Special Responsibility Allowances for the Chairmen and Vice-Chairmen of the six new Service Committees, the other elements of the Members' Allowances Scheme (including the Basic Allowance) will remain as agreed by Full Council on 17 July 2019, pending full review in 2023.
- 1.8 The Six Service Committees are:
- Corporate Policy and Performance
 - Corporate Support
 - Planning Policy
 - Residential and Wellbeing Services
 - Environment and Neighbourhood Services
 - Economic
- 1.9 The Panel will undertake a further interim review once the structure has been in place for a while. That review will have the benefit of being able to assess the impact of the new arrangements in operation and will be able to consider all the roles in more detail.
- 1.10 Looking at the financial implications on the Budget, the Panel has been mindful of the need to ensure that the scheme continues to be fair, straightforward and economic to operate. The Panel's recommendations have taken note of the public service element, whereby there should be an unremunerated element to service as a Member.

1.11 Members are reminded of the changes made to the SRAs for the Leader and Deputy Leader of the Council and Cabinet Members following the introduction of a new Cabinet Portfolio at the Annual Meeting of the Council in May 2020. The Report of the Panel and the Minutes from that meeting can be found in the background papers section of this report.

2.0 OVERALL COST OF ALLOWANCES

2.1 The Panel has stated in its report that it is mindful and conscious that any Scheme proposed for allowances and expenses must be appropriate for the Council and affordable in relation to budget provision.

2.2 It has set out the financial effect of its recommendations in its report.

2.3 The overall financial effect of the IRP's recommendations compared with the Budget for 2020/21 represents a decrease of £6,665.

2. PROPOSAL(S): The Committee is asked to:

To consider the report and recommendations of the Council's Independent Remuneration Panel and make recommendations for the revisions to the existing Members' Allowances Scheme to Full Council on 13 January 2020, in preparation for a change in governance from May 2021.

3. OPTIONS: The Committee may:

- (1) accept the IRP's recommendations as set out in its report at Appendix 1; or
- (2) recommend alternatives to the IRP's recommendations, but should state its reasons for doing so; or
- (3) Reject the Panel's recommendations and resolve to make no changes to the existing Members' Allowances Scheme, which would result in a Scheme that is not fit for purpose and in no special responsibility allowances being paid in respect of some key roles.

4. CONSULTATION: No formal consultation is required although the IRP consulted selected Members during their work, as explained in their report.

Has consultation been undertaken with:	YES	NO
Relevant District Ward Councillors – all Members of the Council were given the opportunity to submit their views to the Panel	x	
Other groups/persons (please specify) – A range of Councillors were interviewed by the Panel – the detail of which is set out in the Panel's report as well as the Council's Chief Executive and Financial Services Manager.	x	

**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)		
<p>6. IMPLICATIONS: The Council is obliged by statute to have regard to the recommendations of its Independent Remuneration Panel when reviewing Members' Allowances and this obligation is met by considering the recommendations set out in the Panel's report. Members' Allowances Scheme (Regulation 19.1).</p> <p>The Council needs to take into account the impact on council taxpayers and staff.</p>		
<p>7. REASON FOR THE DECISION: To comply with the Local Authorities (Members' Allowances) (England) Regulations 2003.</p>		
<p>9. BACKGROUND PAPERS:</p> <p>(i) Report to Annual Council Meeting and Minute – May 2020 – please see link to get to the webpage – to see reports and minutes</p> <p>(ii) Report to the Audit & Governance Committee – 30 July 2020 – please see link to get to the webpage – to see reports and minutes</p> <p>(iii) 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</p>		