

Independent Remuneration Panel

Interim Review of Members'
Allowances for Arun District
Council

Review of Special Responsibility
Allowances relating to Change of
Governance - November 2020

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Executive Summary-

The Independent Remuneration Panel, in line with 2003 Regulations, conducted an interim review focused solely on the Special Responsibility Allowances (SRAs) to paid in respect of the planned Service Committees.

An evidence-based review was conducted, examining potential changes within the Authority, Allowances' Schemes in other Authorities operating a Committee System, together with Members' and Officers' opinions and insights. In the light of this the Panel were able to draw meaningful conclusions as to:

- Whether the new roles of Committee Chairs and Vice Chairs should attract an SRA, considering the likely workload and responsibility of the roles.
- Whether the Members of the Service Committees should receive an SRA.
- The amounts that the SRAs investigated above should receive.

These conclusions inform a series of recommendations made by the Panel, a summary of which are presented below. However, before the System is bedded in, we can only take a 'well educated guess approach' for roles that will need to be reviewed in a clear and ordered way. The Panel recommend that the SRAs paid to the Chairs and Vice Chairs of the new Service Committees be reviewed early in 2022.

- We recommend an SRA for Chairs of Service Committees, and that it be set at £7,670
- We recommend an SRA for Vice Chairs of Service Committees, and that it be set at £2,302
- Members of the new Service Committees should not receive an allowance as this role does not meet the criteria for an SRA as defined by the Regulations
- We strongly recommend that the SRAs paid under the Service Committee system is revisited when the new system has bedded in and suggest a Review, starting towards the end of the first year of operation, February 2022 is correct- with 11 months of data to analyse.
- These recommendations should come into effect when the new Service Committees start work
- Additionally, although not part of this review, we restate for clarity that the remuneration for Leader and Deputy Leader will continue. The SRA is currently: Leader £6038 and Deputy Leader £2,080

Members are of course able to renounce all or part of any Allowance to which they may be entitled. The Panel believes their Interim Review has produced recommendations that best reflect the current responsibilities and workloads of Committee Members and works within existing budgetary constraints. The recommendations offer potential savings of £6655, (following the abolition of the Overview Select Committee), with the suggestion that this amount is held in abeyance until the next Budget review and the proposed review of the Governance arrangements.

1. Background

The Local Authority (Members' Allowances) (England) Regulations 2003 require the Council to appoint an Independent Remuneration Panel to advise on the terms and conditions of its scheme of Members' Allowances and to "have regard" to the advice of the Panel when approving a new scheme. The Regulations require the Council's Members' Allowances Scheme to be reviewed at least every four years. The Panel also meets to conduct light touch reviews between full reviews and to consider any specific changes to the Council's governance arrangements that might necessitate a change in the Members' Allowances Scheme. On this occasion, the Panel was convened to consider an initial Members' Allowances Scheme to reflect the Council's proposed change in governance arrangements from a Cabinet model to a Committee system

The Independent Remuneration Panel (IRP), for membership see Appendix 1, last conducted a full Review into the remuneration for elected members, reporting in February 2019, with a revised scheme agreed by Full Council in July 2019.

On the 15th January 2020, the Full Council meeting of Arun District Council (ADC) decided to move from the 'Leader and Cabinet' form of governance to a 'Committee system'¹ Therefore, The IRP has

¹ The Council RESOLVED –That

(1) In accordance with Section 9KC, Paragraph (1) of the Local Government Act 2000 (as amended by the Localism Act 2011) the Council resolves to cease operating a Leader and Cabinet form of governance and to operate a Committee system form of governance;

(2) In accordance with Section 9L, Paragraph (4) (b) of the Local Government Act 2000 (as amended by the Localism Act 2011) the effective date for the implementation of this change to the form of governance will be the annual Council Meeting to be held on 19 May 2021;

(3) The Committee system form of governance to be operated will be based on the Senior Management Team proposal agreed by the Governance Working Party on 3 December 2019.

(4) The Chief Executive, in consultation with the Chair of the Governance Working Party, be authorised to prepare and publish the document setting out the provisions of the new governance arrangements required in accordance with Section 9KC, Paragraph (2) of the Local Government Act 2000 (as amended by the Localism Act 2011) as soon as practicable after passing this resolution;

(5) The Constitution Working Party be convened to work through the necessary changes to the Council's Constitution and report back to Full Council with the aim of this work being concluded by January 2021;

been convened to consider the changes in governance, with relation to implications for, and possible changes in, Special Responsibility Allowances (SRAs)

The Authority had agreed that the seven Cabinet posts be replaced by six new Service Committees:

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

Six new Service Committees will replace eight (previously seven) Cabinet posts in May 2021, therefore it was logical in the short term to remunerate the six Chairs (and Vice Chairs) with the same SRA² budget as the Cabinet members (£59,840). The SRA for the increased number of Cabinet posts was the subject of a Panel Report in May 2020. Also, the Panel notes that the move to Service Committees will see the abolition of the Overview and Select Committee (OSC) yielding a potential saving of £6,655 (includes rounding up to nearest pound).

The Panel's remit was agreed at the meeting of the ADC Audit & Governance Committee held on 30 July 2020 and was restricted to SRAs that might be paid to Service Committees.

This interim Report is completed for the Audit & Governance Committee, November 2020, so that Full Council can approve any recommendations for SRAs for the Service Committees to come into force on from the Annual Council Meeting in May 2021 and budgetary implications can be included in the Budget for 2021-22.

² An SRA is paid to those Members who hold a position of special responsibility to recognise the extra time, responsibilities and complexities involved. Additionally, the SRA should be set at a level sufficient to encourage Members to assume roles of extra responsibility.

The Local Authorities (Members Allowances) (England) Regulations 2003 Provides for an SRA to be paid in certain circumstances. Those relevant to this review are as follows;

Section 5(1) (c) Presiding at meetings of a committee or sub-committee of the authority...

Section 5 (1) (i) Carrying out such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any of the activities mentioned in this section.

2. Methodology

The Chief Executive and Financial Services Manager briefed us on the Governance structures and changes in roles and working practices since the last Panel Review and to ensure our recommendations were rigorous and robust, we considered a wide variety of evidence. These included:

2.1 Benchmarking

- In depth examination of remuneration systems operating in other Councils with a Committee structure: Benchmarking can be a useful exercise, ensuring a degree of conformity with other Authorities. However, very few Authorities operate the Committee structure, we investigated those that did, and found them all to have very different structures from ADC. For example, Richmond is a Unitary Authority with much wider powers, and consequently very much higher SRAs payable. Likewise, Flyde District Council is very much smaller with less powers.
- Authorities also have a different number of Committees, sharing out the work in a completely different way, making meaningful conclusions impossible. Furthermore, the current restrictions of working within the Coronavirus crisis meant that getting the requested information from them was not always possible, with Council employees obviously prioritising work for their own Authority. Therefore, for the purposes of this review the Panel found comparisons with other Authorities of very limited use.
- 2019 report from South Eastern Employers (SEE) to benchmark Arun scheme of allowances against all 75 authorities in the SE of England provided no useful information for this review.

2.2 ADC Members' and Officers' views

- We asked (by email) all Members for their views on the SRAs payable under the Committee System and received just 8 responses (out of a possible 53), the majority of which, unfortunately had no suggestions to make regarding SRAs for Committee Chairs and Vice Chairs.
- The Panel interviewed Members from all political parties, including current Cabinet Members and political Party Leaders, as well as Authority Senior staff, to gain a broad understanding of the new system. These included some who had personal experience of working within the Committee System. In total 10 Members and 3 Staff were interviewed by Zoom. The Panel found wide ranging and thoughtful comments which provided excellent insights into the likely workings of the Committee System, while focussing firmly on the SRAs which could be payable.

- The Panel also shared their recommendations with the Chair and Vice Chair of the Audit and Governance Committee
- Officers suggestions were also taken into account in the drafting of this report.

3. Identified Issues for Investigation

Our remit was to examine the likely responsibilities and workload of Chairs and Vice Chairs of the new Service Committees, identifying similarities and differences between these and the role of Cabinet members, whom they replace. This enabled us to judge which roles, if any, should attract an SRA, what level this should be set at and if we could differentiate between Service Committees.

Key questions the Panel needed to answer were:

1. Should an SRA be paid to Chairs of the new Service Committees?
2. If yes, how much should the SRA be?
3. Should an SRA be paid to Vice Chairs of the new Service Committees?
4. If yes, how much should the SRA be?
5. Should the roles of Leader and Deputy Leader continue to receive an SRA?
6. If so, how much should these SRAs be?
7. Should Committee Members receive an SRA?

3.1 Should an SRA be paid to Chairs of the new Service Committees?

We examined the new constitution which outlines the roles and functions of the Service Committees; the likely workloads and responsibilities of the Chairs against the work of Members, looking for evidence of extra workload and responsibility. We found a clear consensus within ADC and other local authorities that the role should attract an SRA. There was general agreement that whilst the role carried less responsibility than the Cabinet posts, the workload to prepare for, and manage and present the committees work was commensurate. We therefore are satisfied that an SRA can be paid to the chair of the Service Committees under Section 5 (1) (c) of the regulations.

3.2 How much should the SRA be for the Chairs?

Key considerations:

3.2.1 How the role (responsibilities and workload) compares against those of the Cabinet Members they replace at ADC.

Decision making will move from one person (Cabinet Member) to a Committee, so it is arguable that the new role has less responsibilities and we listened carefully to these arguments and found some merit in them. However, the Chair will present and defend the Committee's decisions to Full Council, which is an increased responsibility to that of a Cabinet Member. Additionally, we understand from our research into other Authorities and within ADC, that the role of Committee Chair has

responsibilities of leadership, albeit somewhat different from the autocratic leadership style often produced under the Cabinet system, and new challenges are likely to emerge for the Service Committee Chairs. Chairs will now have to chair a multi-party Committee (clearly a more onerous task than at present) and ensure well informed decision making. They also have the casting vote, if needed. We found no evidence that the workload would be substantially different to the Cabinet role, including, for example, various meetings with Officers and Agenda setting.

A further consideration is comparison to the Chairs of current Regulatory Committees at ADC, tabled in Appendix 2. The Chair of Development Control, for example, currently receives an allowance comparable with that of the current Cabinet Members, which the Panel considers correct. They have great areas of responsibility, a heavy workload, a quasi-judicial role and are extremely high profile and public facing. However, it is not part of this Panel's remit to change the SRA for Regulatory Committee roles.

Taking the principle that the current budget for the Cabinet roles is the baseline for the SRA level for the Service Committees, then we would recommend that the Chairs and Vice Chairs for each Service Committee share the current SRA remuneration previously allocated to a Cabinet Member, at the ratio discussed at section 4 below.

3.2.2 Review of Service Committee levels of responsibility and workload

As none of the Service Committees are yet operational it is not possible to investigate any differences between them, and of course we understand that as the first year of the new Governance model progresses, some responsibilities may move from one Committee to another. Therefore, we agree with the many suggestions that the Panel received, that the Council should review the workloads of the individual Committees after a year of operation: starting early in 2022.

3.2.3 If our findings at ADC's Council are comparable with other Authorities

As stated earlier in section 2.1, comparison with other Authorities are limited and it has not been possible to draw any meaningful conclusions regarding actual amounts. Of all the Authorities examined, no two were organised in the same way. However, other Authorities that have adopted a Committee System have not been able to initially determine comparative workload between the committees, for the purpose of setting differing levels of remuneration for their Chairs. At the next review we will consider reflections on the operation of Service Committees by other Authorities.

3.3 Should an SRA be paid to Vice Chairs of the new Service Committees?

We examined the likely workloads and responsibilities of the Vice Chairs of Service Committees. It is a new role within ADC, with no previous role to compare it to. We heard evidence that the Vice Chair will be involved in Officers' briefings, preparing for meetings and will have to chair the Committee in the Chair's absence. The point was made that in these days of virtual meetings, technology issues may make it more likely a Vice Chair has to step in at a moment's notice. Again, we found a clear consensus within ADC and other local authorities that the role should attract an SRA, which we agree with. We are satisfied that an SRA can be paid to Vice Chairs of the Service Committees under Section 5 (1) (i) of the regulations.

3.4 How much should the SRA be for the Vice Chairs?

The Panel needed to ensure that the Vice Chair's SRA was fair in relation both to the Chair of a Service Committee and the Regulatory Vice Chair positions at ADC that attract an SRA. The latter is currently from between 30% (Licencing) and 33% (Development Control). Some comparison with other Authorities operating the Committee System has been possible. The percentages vary and 30% is fair. Suggestions by Members interviewed ranged from 25% to 35 or even 50% of the Chair's. This initial review has, therefore, taken a prudent line of recommending that the remuneration for Vice Chair is 30% of the Chair's. This reflects the additional workload and responsibility of the role, over and above that of a Committee Member.

3.5 Should the roles of Leader and Deputy Leader continue to receive an SRA?

These SRAs are not part of the review; however, the panel felt that as the SRAs for these posts included the Cabinet Member SRA they should, for clarity, be restated.

3.6 How much should the SRA for Leader and Deputy Leader be?

Leader's and Deputy Leaders SRAs remain as Leader £5,876 and Deputy Leader £2,080

3.7 SRAs for Service Committee Members

Everyone we spoke to took the view that the work of Service Committee Members is covered by the Basic Allowance. We do not feel the role of a Service Committee member meets the criteria for an SRA as laid out in the regulations.

4. Financial implications on Budget

The Panel is very mindful of the need to ensure that the Allowances scheme at ADC continues to be fair, straight-forward, economic to operate, justified in terms of affordability (in the public's perception) and works within existing budgetary constraints, see Appendix 2.

Clearly, we are living in unprecedented times, with budgets under pressure as never before. The Panel, therefore, has recommended a prudent approach to allocating SRAs to the new Service Committees; there will be no rise in the total allowances paid. Additionally, we recommend that the savings from the abolition of the OSC are held in abeyance and not redistributed at this time. Our further proposed review (commencing February 2022) will, therefore, make the informed decision as to whether and if so, how the SRAs should be changed.

As always, the Panel's recommendations have taken note of the public service element, whereby there should be an unremunerated element to service as a Member. Members are of course able to renounce all or part of any Allowance to which they may be entitled.

5. The Panel's Recommendations

Based on our wide-ranging investigation the Panel makes the following recommendations for SRAs under the Committee System. We do acknowledge that, at this stage, before the new system is bedded in, we can only take a 'well educated guess approach' for roles that will need to be reviewed in a clear and ordered way in the future.

5.1 Amounts

We recommend the SRA for Chairs of Service Committees be set at £7,670

We recommend the SRA for Vice Chairs of Service Committees be set at £2,302

If approved, the recommendations will become effective from the Annual Council Meeting on 19 May 2021

5.2 Absence

The Panel reiterates our recommendations for absence, taken from the full Review of Allowances in 2019:

'The Panel has been made aware that on occasions a Vice Chair of the Council or a Committee has taken the role of Chair for two months or more without being recompensed for the additional responsibility: setting agendas, briefings with Officers and charring meetings. We found the practice in many Authorities is for the Vice Chair to take over and after two meetings to be paid the Chair's SRA until the Chair returns or is replaced, which seems to us, not only cost neutral, but eminently fair.'

We recommend that these payments should apply to the Chairs and Vice Chairs of the new Service Committees.

5.3 Review

Our benchmarking exercise showed that all Authorities that changed their system of Governance conducted firstly an interim review and then revisited the responsibilities and work loads of key positions. We agree and strongly recommend that the SRAs paid under the Service Committee system is revisited when the new system has bedded in. We believe that a review, starting towards the end of the first year of operation, commencing February 2022 is correct. By then new system will have been operational for 11 months, so enabling real time data to be obtained. We recommend that such data gathering includes the richness of decision making. The Panel's findings would then be reported in May/June 2022.

6. Thanks

The Panel wish to place on record their thanks to all those Members who provided evidence to the Panel; Officers who provided information and answered our many and varied questions. Finally, special thanks must go to Mrs Jane Fulton, Committee Services Manager who provide unstinting support to the Panel with great integrity, patience and energy.

Appendix 1

The Panel

- John Thompson MBE DMS FCMI (Chair): Retired Company and Charity Director; Governor of Western Sussex Hospitals NHS Foundation Trust; Lay Member of WS Safeguarding Children Board; Arun DC Independent Person; Member of Independent Remuneration Panel at Chichester DC; Governor, Davison (CofE) High School for Girls, Worthing.
- Alan Ladley: Retired Force Information Manager, Detective Superintendent, Sussex Police; Resident of Felpham for over 35 years; with his wife, owns a retail gift shop in Middleton on Sea.
- Celia Thomson-Hitchcock: Owner of Ahead To Toe Hair and Beauty Salon, Littlehampton (30 years); Co-Chair of Littlehampton Traders Partnership; Leader of Littlehampton Town Team (Mary Portas 'Save the High Street' campaign) and member of The Coastal Community Fund (Regeneration Project).
- Sarah Miles MBA: Business Consultant, Trustee of MIND Brighton and Hove, retired University Lecturer (Business School) and Knowledge Management Program Head; former company owner, charity co-ordinator and Management Committee member Arun Yacht Club,
- Andrew Kelly: Director/Owner of ASK HR Consulting Limited; HR career in Local Government, NHS and private sector; Chair of Board of Trustees, Dove Lodge (Littlehampton), Volunteer driver for St Barnabas Day Hospice; former Chair of West Worthing Tennis & Squash club and NHS Trust HR Director

Appendix 2.

Table 1 SRAs paid to Committees showing effects of recommendations on budget

Post/Role	Current Allowance	Current Total	Proposed Allowance	Proposed Total	Effect on Budget
Leader ¹	£6,038	£6,038	£6,038	£6,038	£0.00
D/Leader ¹	£2,137	£2,137	£2,137	£2,137	£0.00
Cabinet Member (8)	£7,480	£59,840	£0	£0	£-59,840
Service Committee Chair	£0	£0	£7,670	£46,020	£+46,020
Service Committee Vice Chair	£0	£0	£2,302	£13,812	£+13,810
Chair, OSC	£5,004	£5,004	£0	£0	£-5,004
Vice Chair, OSC	£1,651	£1,651	£0	£0	£-1,651
		£74,670		£68,007	£-6,665

¹ Excludes Cabinet SRA

Table 2 SRAs paid to Regulatory and Governance Committees

Regulatory Committees	Allowance
Chair, Development Control	£6,165
Vice Chair, Development Control	£2,034
Chair, Licensing Committee	£4,110
Vice Chair, Licensing Committee	£1,233
Chair, Standards Committee	£1,028
Governance Committees	
Chair, Audit & Governance	£3,853
Vice Chair, Audit & Governance	£1,272