1. **BACKGROUND**

1.1 The Local Government Act 2000 and the Local Authority (Members’ Allowances [England]) Regulations 2003 require Local Authorities to establish and maintain an Independent Panel to review Members’ Allowances. The Regulations require Local Authorities to have regard to the recommendations of an Independent Panel when paying Allowances.


1.3 The Panel has now concluded its sixth review of the Members Allowances Scheme and this report makes recommendations covering the Basic Allowance, Special Responsibility Allowances (SRAs), Co-Opted and Independent Member Allowances, Carers Allowances, Parish Council Allowances, Travel and Subsistence Allowances, Pensions and IT Allowances.

2. **COMPOSITION OF THE PANEL**

2.1 Two Panel members have left the Panel since the last review was completed. Mr. John Thompson came to the end of his term and Mrs Yvonne Brown left for personal reasons. Mrs Sandy Pascoe remained on the Panel providing continuity. Following interviews in January 2009 and in agreement with the Group Leaders Ms June Munro, Mr Jason Grounsell and Mrs Alison Tuck accepted invitations to join the Panel.

2.2 The Panel Members are:

- Ms June Munro (Retired Business Manager)
- Mrs Sandy Pascoe (CAB Volunteer and Arun Wavelength Panel Member)
- Mr Jason Grounsell (Owner of International Construction Company)
- Mrs Alison Tuck (Retired Local Government Officer – Democratic Services)

2.3 The Panel first met to start its sixth review in January 2009. It has met on five occasions and twice with the Council’s Governance Committee. In addition the Panel has interviewed 41 Members and 3 officers of Arun District Council. The Panel has been provided with a wide range of information from South East Employers and Arun’s CIPFA family group.
3.0 TERMS OF REFERENCE

3.1 The new Panel reaffirmed its Terms of Reference, namely:

To review Arun District Council’s current Members’ Allowances Scheme and make recommendations for a new scheme taking into account the following:-

- 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, Executive Members and Back Bench Members;
- schemes operating elsewhere in authorities similar to Arun District Council;
- the level of remuneration paid for other types of public duties;
- whether allowances should be payable for telephone, fax machine or information technology equipment;
- the need to attract and retain Elected Members of appropriate calibre and representative of the demographic make-up of the District;
- the need to ensure the scheme is straightforward and economic to operate;
- the need to ensure the scheme may be justified in terms of affordability and in the public’s perception;
- the scheme aims to compensate for the time put into the roles and responsibilities undertaken, but that there should be an element of public service; and
- the scheme encourages Councillors to work flexibly and to develop community roles.

4.0 RATIONALE

4.1 The Panel decided to use a model that clearly demonstrates the relationships between the various roles with regard to remuneration. It therefore used an approach which was recommended on training courses for Independent Remuneration Panel (IRP) Members, to develop a hierarchy of responsibilities using multipliers of the Basic Allowance as can be seen at Appendix 1.

4.2 This report represents a move to the model the Panel would ultimately like to adopt.

5.0 MEETINGS AND RESEARCH

5.1 The Panel decided against using a survey as a method of gathering information as they felt that the return rate could be poor, instead the
Panel offered all Members the opportunity to be interviewed and held a combination of open sessions and one-to-one interviews. The Panel interviewed 41 Councillors. The Panel also interviewed the Head of Technology; the Solicitor to the Council; the Group Accountant and also met on three occasions with the Head of Democratic Services.

5.2 The Panel was mindful of the strongly expressed views of Councillors that they should be sensitive to the public view regarding public sector expenditure. The Panel’s approach was to try and redistribute the available money to achieve a fairer distribution and consistency. The Panel also wished to make it clear that allowances are not compulsorily and any Member can opt not to take up his or her allowance or indeed any recommended increases.

5.3 The Panel was introduced to the Governance Committee on 19th March 2009 and provided the Committee with an update on progress as well as outlining the matters that it had seen emerging from the interviews undertaken with Councillors. Prior to finalising its draft report the Panel shared their headline conclusions with Group Leaders.

5.4 The report from the Independent Remuneration Panel, including any changes being proposed, was presented to the Council’s Governance Committee on 9th July 2009, which all Members of the Council had the opportunity to attend so as to allow consultation on the recommendations to be submitted to Full Council on 2nd September 2009.

6.0 BASIC ALLOWANCE

6.1 The Panel was mindful that the Basic Allowance had not been increased since 2007/08. Interviews with Backbench Councillors, in particular, highlighted a concern that the Basic Allowance did not adequately reflect the workload, which in most instances, had increased. Councillors felt that the current Basic Allowance would not encourage younger working people to stand for election and some even suggested they were out of pocket.

6.2 Councillors believed the public service element should remain at around 30% and despite feeling the allowance was not adequate were fully aware of public sensitivities to public sector expenditure. There was a strong view that the Basic Allowance should be index linked. Currently Arun District Council’s Basic Allowance for Councillors compares well with its Chartered Institute of Public Finance Accountants (CIPFA) “family” of similar sized authorities (4th out of 16 authorities) and with other West Sussex Districts and Boroughs (second highest).

6.3 The Panel therefore recommends that the Basic Allowance should be increased by £185 (4%) in 2009/10 from £4,685 to £4,870 and be index linked to staff pay increases thereafter. This increase to be backdated
to 1st April 2009. This broadly reflects the 2.45% and 2.75% awarded to Council staff in the previous two years.

7.0 SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

7.1 Chairman and Vice Chairman of the Council

7.1.1 Given the important civic function this role performs the Panel concluded that the SRA should be increased by 4% from £7,500 to £7,800.

7.1.2 The Panel also heard that the Vice-Chairman fills an important supporting role and on occasions stands in for the Chairman at major functions. The Vice-Chairman is also being prepared for the role of Chairman when the current Chairman stands down. In view of this the Panel felt that the SRA should be 0.33 of the Chairman's SRA in future and recommends an increase for 2009/10 from £2,000 to £2,574.

7.2 Leader and Deputy Leader of the Council

7.2.1 Evidence would suggest that the Leader’s workload is between 50-60 hours a week and is in effect a full time job. The Leader’s current SRA compares fairly well with those authorities in West Sussex but less well with Arun’s CIPFA family group. Despite this the Panel considered that the Leader has the greatest workload of any Member of the Council. The Panel recommends that the Leader’s SRA is increased by 4% from £13,650 to £14,196.

7.2.2 The Deputy Leader holds a Cabinet portfolio as well as acting as Deputy to the Leader. The current SRA payable to the Deputy Leader is higher than other District and Boroughs in West Sussex and second highest in the CIPFA family group. However, it was recognised that because of the Leader’s high national profile the Deputy Leader has a significant deputising role. The Panel therefore took the view that remuneration should be above that payable to a Cabinet Member but that the current level of SRA was fair in reflecting the additional responsibility undertaken. On this basis the Panel recommends that the Deputy Leader’s SRA remains unchanged at £10,000.

7.3 Cabinet Members

7.3.1 The Panel was fortunate to be able to interview all of the Cabinet Members while carrying out its review. The Panel heard that Cabinet Members spend between 27- 40 hours a week on Council business and this was an increase from the situation at the time of the 2007 review. Cabinet Members are currently in the upper quartile of both West Sussex Districts and Boroughs and the CIPFA family group.

7.3.2 The Panel recommends that Cabinet Members SRAs are increased by 4% from £8,000 to £8,320.
7.4 Development Control Committee

7.4.1. Most Councillors told the Panel that the work of the Development Control Committee was declining. The frequency of meetings has now subsequently been reduced from 3 weekly to 4 weekly and are not taking as long as they used to. The Panel accepted however the fact that Members of this Committee need to have specialist training to sit on the Committee.

7.4.2. In view of the decline in workload the Panel recommends that the Chairman has a reduction in SRA from £6,250 to £6,000, and that in line with the principle of 0.33 for Vice Chairman that SRA is reduced from £2,750 to £1,980.

7.4.3. In line with the points made above, the Panel recommends that Members of the Development Control Committee have their SRA reduced from £1,000 to £750.

7.4.4. The Panel will keep the work of the Development Control Committee under review should the workload change in the future.

7.5 Licensing and Enforcement Committee

7.5.1. The Panel heard that applications for Licences have declined. Most Councillors expressed the view that the anticipated work level had not materialised. Furthermore the complexity of the workload has reduced with more routine applications being considered. The Chairman’s SRA is second highest compared to other local authorities within West Sussex and with Arun’s CIPFA family group. The Panel also wished to move towards a more standardised approach to Committee Chairmen’s SRAs.

7.5.2. For 2009/10, the Panel therefore recommends a decrease in the SRA for the Chairman of Licensing and Enforcement from £5,800 to £5,550.

7.5.3. The Panel agreed that in future all Vice Chairmen of Committees should receive an SRA which is 0.33 of their Chairman’s SRA. The Panel therefore recommends a decrease to the Vice-Chairman of Licensing and Enforcement’s SRA from £2,000 to £1,832.

7.5.4. In line with the changes to the Chairman and Vice Chairmen’s SRA due to a decrease in overall workload, the Panel felt that it was appropriate to decrease the SRA payable to the Members of the Committee and recommend that this is decreased from £300 to £250 for 2009/10.

7.5.5. The Panel will keep the work of the Licensing and Enforcement Committee under review should the workload change in the future.
7.6 **Performance Scrutiny and Policy Scrutiny Committees**

7.6.1. The SRAs payable to the Chairmen of the Policy Development and Performance Scrutiny Committees compare favourably with the CIPFA family group ranking 3rd highest. The Panel was not convinced that there had been any appreciable increase in workload since the last review, although it did note that the Chairman of the Performance Scrutiny Committee had since become involved in reviewing complaints at Stage 3 of the Council’s Official Complaints process (subject to the complainant’s request) and so the Panel did not feel at this stage that it was a significant enough increase in workload to warrant an increase in SRA. The Panel does however wish to keep the workload under review.

7.6.2. As mentioned in 7.5 above, the Panel was keen to ensure some consistency in the future in the SRAs between the main Committees. The Panel therefore recommends a decrease in SRA for the Chairmen of the Policy Development and Performance Scrutiny Committees from £5,000 to £4,870.

7.6.3. In line with the principle of Vice-Chairmen receiving one third of the SRA of their Chairmen, the Panel recommends a decrease in the SRA for the Vice-Chairmen of both the Policy Development and Performance Scrutiny Committees from £2,000 to £1,607.

7.7 **Audit Committee**

7.7.1. The view was expressed by several Councillors that the current payment of an SRA of £250 to the Chairman of the Audit Committee was inadequate and out of line with the other main Committees. Whilst the Panel recognised that this Committee meets less frequently than other Committees, there has been an increase in workload and its work is of increasing importance involving occasional large investigations.

7.7.2. The Panel did not have much comparative data from other West Sussex Districts and Boroughs or the CIPFA family on payments to Audit Chairmen, but where the information was available it showed clearly that Arun was substantially below that paid to Audit Chairmen by other authorities.

7.7.3. The Panel therefore came to the view that the SRA should be increased from £250 to £3,750. In line with the formula of 0.33 for Vice-Chairmen of Committees, the Panel recommends that an SRA is introduced for the Vice-Chairman of Audit Committee of £1,238.

7.8 **Opposition Leaders**

7.8.1. The Panel was concerned about the considerably higher SRAs being paid to the Opposition Leaders in Arun compared to other West Sussex
authorities and to Arun’s CIPFA family. In the course of the interviews undertaken, several Councillors remarked upon this discrepancy, albeit that the amount is paid on a pro rata basis.

7.8.2 The Panel was faced with some difficulty in coming to a recommendation as they were keenly aware of the importance of strong opposition and did not wish to be seen to be downgrading the role. The Panel also accepted the fact that Opposition Leaders have to develop an understanding across all portfolios to effectively act as Opposition Leaders.

7.8.3 The Panel therefore adopted a formula of 0.33 of Leaders SRA to recognise the group leadership aspect of the role with a multiplier of 2 for the breadth of knowledge required to effectively act in Opposition. The Panel therefore recommends an SRA of £9,369 (a reduction from £10,650) to be divided between the Group Leaders on a pro rata basis.

7.9 Standards Committee

7.9.1 The Panel heard evidence from the Solicitor to the Council about the increased workload arising from local determination of complaints following the changes made to the Code of Conduct resulting in less complaints going to the Standards Board for England. This work involved considerable preparation and briefings with the Solicitor for the Chairman. It is also apparent that several other authorities in the CIPFA family pay annual SRAs to their Standards Chairmen in recognition of increased workload and responsibility.

7.9.2 The Panel therefore recommends a payment of £1,500 to the Chairman of the Standards Committee and that the allowance for Independent and Co-Opted Members of this Committee is increased from £30 to £50 per meeting.

7.10 Appeals Panels

7.10.1 The Panel recommends no change to the previously agreed arrangements of £50 per half day meeting and that the SRA should still be paid if the hearing is cancelled once the papers have been circulated.

7.11 Effective Date for introducing the Recommendations

7.11.1 The Panel recommends that the changes to the Basic Allowance and those SRAs that are recommended for an increase should take effect from 1st April 2009 and that any such payments may be backdated. The Panel feel that it is for Councillors to decide if they wish to receive the additional payment backdated to 1st April 2009.
Where recommendations propose that an SRA be decreased, the Panel propose that these should be effective from the date the report is agreed by Full Council (in this case 2nd September 2009) and that the decrease should not be backdated.

8.0 IT ALLOWANCES

8.1 The Panel heard that most Members found the allowance adequate particularly as consumable costs such as ink cartridges and paper had come down in price.

8.2 The Panel was encouraged to hear that the Head of Technology intended to get a group of Members together to discuss how to approach the provision of IT ahead of the next District Elections in 2011 with a view to adopting a more consistent arrangement. The Panel concluded that it would not recommend an increase in the IT allowance at this stage and would review this following the outcome of the work of the Head of Technology.

9.0 CARERS ALLOWANCES

9.1 The Panel heard from the Head of Democratic Services that there was still a budget for payments to carers although it had been little used. No Councillors interviewed raised the issue of payments to carers and the Panel therefore decided to make no changes to this payment. This therefore remains at £10 per hour.

9.2 The Panel would like to emphasise that this allowance is available for any form of care, not just childcare.

10.0 PARISH COUNCIL ALLOWANCES

10.1 As the Panel wish to consider the issue of Parish Council Allowances separately, it is proposing no change to the Parish Council arrangements at this time.

11.0 ONE OFF PAYMENTS

11.1 During the interviews several Councillors referred favourably to the one off payments that could be made available for intensive pieces of work and an example given had been the work undertaken by the Eco-Town Select Committee. The decision as to which pieces of work these are payable for lies with the Chief Executive and the Chief Internal Auditor. It is unlikely that the Panel would be able to foresee any such projects at a given point in time so the Panel wishes to express its support for the continuation of such one off payments as deemed appropriate.

11.2 The Panel recommends that one-off payments continue to be paid on an outline basis of £50 per half day, in line with the payment made for Appeals Panels.
11.3 The Panel also wishes to make it clear that this payment is not a reintroduction of the Attendance Allowance but it is in recognition of the large amount of work and preparation undertaken for intensive pieces of work within an agreed timescale.

11.4 The Panel also asks that the Chief Executive keeps close attention to the work of Members on external bodies and joint working such as the Health Overview and Scrutiny Committee, as several Members brought to the Panel’s attention the extra work resulting from membership of such bodies. The Panel would wish to keep this under review.

12.0 **PENSIONS FOR MEMBERS**

12.1 The Panel noted that there had been some take up of the scheme since its implementation, but make no recommendations for change at this time. This allows all Members to choose if they wish to take up the scheme.

13.0 **CO-OPTED AND INDEPENDENT MEMBERS AND WITNESSES**

13.1 The Panel concluded that the allowance payable to Members co-opted to Committees and Panels or those appointed to Committees as Independent Members should be increased from £30 to £50 per meeting attended. This is in recognition of the amount of preparation time needed to be undertaken and the fact that this work is done on a voluntary basis. The Panel has chosen to adopt a common theme of paying a £50 per meeting attended for one-off payments as well.

13.2 These members can also claim travelling expenses on the same basis of the Members Allowances Scheme. This allowance and travelling expenses to also be payable to witnesses called to attend Scrutiny Committees.

14.0 **TRAVEL AND SUBSISTENCE**

14.1 For this review, the Panel recommends no change to the existing arrangements for travel and to the existing arrangements for the payment of subsistence allowances.

14.2 Based on recent expenditure, the Travel and Subsistence budget has been underspent in recent years. To fund the net increase to the Members Allowances budget being proposed from the Panel’s recommendations, it has been agreed with the Senior Accountant that the Travel and Subsistence budget should be reduced by £4,792; plus a one-off reduction of up to £5,000 for 2009/10 to fund the potential additional cost of backdating increases in allowances.
15.0 FINANCIAL IMPLICATIONS

15.1 A spreadsheet showing the recommended allowances and total budget can be seen at Appendix 2. As this highlights, the existing budget for the Basic Allowance, Special Responsibility Allowances and the IT Allowance amounts for 2009/10 is £420,310. Taking into account the decreases being proposed, the budget required to fund the increases in allowances totals £425,102.

15.2 The recommendations of the Panel result in an ongoing increase in the budget of £4,792 which is to be funded from the 1% increase already included in the budget plus a virement from the Members Travel and Subsistence Budget. The potential one-off additional cost of backdating increases in allowances is to be funded from a virement of up to £5,000 from the Members Travel and Subsistence budget in 2009/10.

16.0 RENUNCIATION

16.1 The Panel concluded that Councillors may renounce their entitlement to all or part of their allowances.

17.0 RECOMMENDATIONS (relevant paragraphs in brackets)

17.1 The Panel makes the following recommendations for change to the Members Allowances Scheme to be effective from 1st April 2009 except where Special Responsibility Allowances are to be decreased, then these should be effective from the date the Panel’s report is agreed by Full Council (2nd September 2009) and that the decrease should not be backdated:

(1) The Basic Allowance be increased to £4,870 and that in future it is Index Linked to the annual staff pay settlement. (Paragraph 6.0)

(2) The Special Responsibility Allowance payable to the Chairman of the Council and the Vice-Chairman of the Council be increased to £7,800 and £2,574. (Paragraph 7.1)

(3) The Special Responsibility Allowance payable to the Leader of the Council be increased to £14,196 and there be no change to the Special Responsibility Allowance payable to the Deputy Leader. (Paragraph 7.2)

(4) The Special Responsibility Allowance payable to Cabinet Members be increased to £8,320. (Paragraph 7.3)

(5) The Special Responsibility Allowance payable to the Chairman and Vice-Chairman of the Development Control Committee be reduced to £6,000 and £1,980 (Paragraph 7.4).
The Special Responsibility Allowance payable to the Members of the Development Control Committee be decreased to £750. (Paragraph 7.4)

The Special Responsibility Allowance payable to the Chairman and Vice-Chairman of the Licensing and Enforcement/Licensing Committee be decreased to £5,550 and £1,832. (Paragraph 7.5)

The Special Responsibility Allowance payable to Members of the Licensing and Enforcement/Licensing Committee be decreased to £250. (Paragraph 7.5).

The Special Responsibility Allowance payable to the Chairmen and Vice-Chairmen of the Scrutiny Committees be decreased to £4,870 and £1,607. (Paragraph 7.6)

The Special Responsibility Allowance payable to the Chairman of the Audit Committee be increased to £3,750 and a Special Responsibility Allowance be introduced for the Vice-Chairman of the Committee of £1,238. (Paragraph 7.7)

The Special Responsibility Allowance payable to Leaders of Opposition Groups be decreased to £9,369 and continues to be shared on the basis of the number of Members in each Group. (Paragraph 7.8)

The Special Responsibility Allowance payable to the Chairman of the Standards Committee be £1,500 and the allowance for Independent and Co-Opted Members of this Committee be increased from £30 to £50 per meeting. (Paragraph 7.9)

The Special Responsibility Allowance payable to Appeals Panel Members should remain at £50 per half day meeting and that the allowance be paid if the hearing is cancelled once the papers have been circulated. (Paragraph 7.10)

The IT Allowance of £340 per annum to cover Broadband connection and consumables remain unchanged. (Paragraph 8.0)

The Carers Allowance of £10 per hours remain unchanged. (Paragraph 9.0)

In relation to Parish Council Allowances, as the Panel wish to consider the issue of Parish Council Allowances separately, it is proposing no change to the Parish Council arrangements at this time. (Paragraph 10.0)
(17) One off payments continue to be paid on an outline basis of £50 per half day for one off intensive projects, subject to the agreement of the Chief Executive and Chief Internal Auditor. (Paragraph 11.0)

(18) The arrangements for pensions for Members remain unchanged. (Paragraph 12.0)

(19) The allowance payable to co-opted and independent members of Committees/Panels and to Independent Panel members be increased from £30 to £50 per meeting attended. (Paragraph 13.0)

(20) The arrangements for travel and subsistence expenses remain unchanged. (Paragraph 14.0)

18.0 THANKS

18.1 Members of the Panel would like to thank the Councillors and Officers for their time in participating in the interviews and to the officers in Democratic Services for their support in arranging interviews and offering guidance.

Signed:

Jason Grounsell

June Munro

Sandy Pascoe

Alison Tuck

Dated: