

7. REVIEW OF MEMBERS' ALLOWANCES SCHEME

1. Purpose of the report

To consider proposals to appoint an Independent Person to carry out a review of the existing Members' Allowances Scheme.

Key Issues

- **Although minor amendments have been made to Schedule 2 of the Authority's current Members Allowances Scheme, the overall Scheme has not been completely reviewed for a considerable length of time.**
- **The Local Authorities (Members' Allowances) (England) Regulations 2003 require most local authorities to establish and maintain an Independent Remuneration Panel (IRP) to carry out a regular independent review of the scheme. This requirement does not extend to a National Park Authority however it is suggested that an Independent Person be appointed to carry out a review and report back to a future meeting of the Authority.**
- **This approach will deliver an independent review of the Authority's current Scheme without having to recruit, appoint and maintain an Independent Remuneration Panel.**

2. Recommendations(s)

- 1. To commence a review of the current Members' Allowances Scheme to be carried out by an Independent Person.**
- 2. To authorise the Monitoring Officer to appoint an Independent Person and make sure they have the information and resources needed to carry out a review.**

How does this contribute to our policies and legal obligations?

3. The principal legislation and guidance governing allowances is:

- **The Local Government and Housing Act 1989 (As amended by the Local Government Act 2000), provides the Authority with the powers for local authorities to pay Members basic, special responsibility and other allowances.**
- **The Local Government (Members Allowances) Regulations 2003 ("the Regulations") and supporting guidance ("the Guidance"). The Regulations do not give a National Park Authority the power to pay a dependent carers allowance.**

Under the provisions of the legislation the Authority is required to make a Scheme of Allowances and can exercise local discretion on the amounts to pay under the Scheme. In approving the Scheme and setting these payments the Authority is not required to establish an IRP.

Background Information

4. The Authority's current Members' Allowances Scheme has not been comprehensively reviewed for a number of years. When it was last considered by the Authority it was agreed that any changes to the allowances would be made in accordance with any changes to the rates paid to Authority employees. Since the Scheme was approved the

rates paid to Members have been increased several times at the same percentage rate paid to Officers and minor amendments have been made to the definitions of approved duties as set out in Schedule 2 of the Scheme. Although legislation permits these automatic changes it states that, these arrangements should be reviewed every four years.

5. In the past a review has been postponed to allow time to take into account funding pressures and the impact of National Issues that could have had an impact on the size and structure of the Authority such as the National Park Authority Governance Review and the decision to select this Authority as one of the participants in a pilot for directly elected members. Although the primary legislation for the principle of directly elected Members is in place there are currently no plans for the Government to introduce the secondary legislation needed for an election to take place in the near future.

Proposals

6. It is therefore proposed that, in order to review the existing scheme, the Authority appoints an Independent Person willing to carry out a review of the Members' Allowances Scheme. Other National Park Authorities have successfully used a similar approach which still delivers an independent review, avoids the time and expense needed to set up and maintain an IRP, and meets the requirements of the Regulations as they apply to a National Park Authority.
7. There are a number of individuals or legal firms who have the skills, experience and knowledge to carry out a review and selection will be based on availability, price and previous experience of working with a National Park Authority.
8. The Independent Person will be asked to review the existing Scheme and make recommendations to the Authority on:
 - The level of the basic allowance;
 - The duties or responsibilities that should lead to the payment of special responsibility allowances and the amount paid;
 - The duties for which travelling and subsistence allowances can be paid and the amount of these allowances;
 - The level of co-optees or non-councillor allowance, Independent Persons for example;
 - Whether there should be any backdating of an allowance to the start of the financial year in the event of any changes to allowances mid-year;
 - The nature of any index by which allowances are updated annually and for how long any such index should apply.
9. The Independent Person will be able to exercise their own discretion on how it reviews the existing scheme and the process used to develop their recommendations, however looking at other examples they will invite evidence from Authority Members and senior officers and gather comparative data from local authorities and other national park authorities. It is anticipated that a report will be completed and considered by the Authority with a view to any changes becoming effective from the Annual meeting in July.

Are there any corporate implications members should be concerned about?

Financial:

10. Due to savings arising from having two vacant places on the Authority, the cost of appointing an Independent Person and providing support can be met within the existing Members Services budget. An Independent review is likely to cost in the region of

£3,000 to £4,000.

As the allowances review is not within the current 2017/18 Legal & Democratic Services' Service Plan appointing an IRP would impact on 2017/18 performance to accommodate this additional work. However appointing an Independent Person will achieve an independent review of the scheme without the level of input needed to appoint and support an IRP.

11. Should the Independent Person make a recommendation to increase the basic allowance or introduce new allowances the costs could not be met from the current budget for Members allowances and alternative sources of funding would need to be identified. Although the Authority should have regard to the recommendations of the Independent Person it can choose not to follow them, however, if they were to suggest an increase in the basic allowance by £500 a year, i.e. £41.00 a month before tax, this would increase the total cost of paying allowances by £19,500 each year and an additional £3,900 for every hundred pounds increase thereafter, a sum which is not currently in the baseline Revenue Budget.

Risk Management:

12. There is a risk that if the Authority does not have a robust Allowances Scheme that has been considered in the context of a recommendation by an Independent Person the Authority may have difficulty in recruiting and retaining Members.

Sustainability:

13. None

Equality:

14. The Independent Person will look at the scheme in the context of equality issues to establish whether the current scheme puts off or prevents specific groups of individuals from becoming active Members of the Authority.

15. **Background papers (not previously published)**

None

16. **Appendices**

None

Report Author, Job Title and Publication Date

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