

## **9. INDEPENDENT REVIEW OF MEMBERS' ALLOWANCES SCHEME**

### **1. Purpose of the report**

To consider the report of the Independent Person appointed to carry out a review of the Authority's 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 but in December 2017 the Authority agreed that an Independent Person would be appointed to carry out a review and report back to a future meeting of the Authority. Dr Declan Hall was appointed to carry out the review.**
- **Following his appointment Dr Hall has carried out a comprehensive review of the current Scheme and, based on his experience, comparative data and feedback from Members and Senior Officers, has made a number of recommendations on modifications to the Scheme and the amounts paid. The findings are set out in the final report attached as Appendix 1.**
- **The Authority's Member Code of Conduct provides that, despite having a prejudicial interest, Members may speak and vote on matters relating to an allowance, payment or indemnity given to Members subject to disclosing that interest at the meeting.**

### **2. Recommendations**

- 1. To note the findings of the Independent Review of Members Allowances produced by Dr Declan Hall and set out in Appendix 1.**
- 2. To consider whether to accept, reject or modify the following recommendations set out in the Independent Review Report:**
  - a. To increase the Basic Allowance paid to all Members to £2,300.**
  - b. To confirm that the Members' Allowances Scheme is amended to clarify that the Basic Allowance is deemed to cover 'incidental' costs such as use of home and private telephone facilities with the addition of personal computers, peripherals and information technology.**
  - c. To continue paying an additional Special Responsibility Allowance to the following six positions of responsibility at the rates indicated:**
    - i. Chair of the Authority at a multiple of 2.5 times the recommended Basic Allowance.**
    - ii. Deputy Chair of the Authority at 50% of the allowance paid to the Chair of the Authority.**
    - iii. Chair of Planning Committee at 50% of the allowance paid to the Chair of the Authority.**

- iv. **Chair of Audit Resources and Performance Committee at 40% of the allowance paid to the Chair of the Authority.**
  - v. **Vice Chair of Planning Committee at 66% of the allowance paid to the Chair of Planning Committee.**
  - vi. **Vice Chair of Audit Resources and Performance Committee at 50% of the allowance paid to the Chair of Audit Resources and Performance Committee.**
- d. **To confirm that no additional Special Responsibility Allowance is paid to:**
  - i. **All Members of Planning Committee.**
  - ii. **Member Representatives.**
- e. **To reset the allowance paid to Co-optees at 25% of the Basic Allowance.**
- f. **To reset the allowance paid to the Authority's Independent Persons at 50% of the Basic Allowance.**
- g. **To maintain the existing definition of an approved duty for the payment of travel and subsistence for approved duties, subject to minor amendments to Schedule 2, as set out in paragraphs 115 and 116 of the Independent Report, to provide clarification.**
- h. **To maintain the existing travel rates so that they continue to match the rates paid to employees, subject to the introduction of a passenger supplement rate of 5 pence per mile per passenger up to a maximum of three passengers.**
- i. **To maintain the existing subsistence rates so that they continue to match the rates paid to employees, subject to providing further clarification on the process and conditions by which subsistence for Members is arranged and reimbursed, as set out in paragraph 124 of the Independent Report.**
- j. **To note that a National Park Authority does not have the statutory power to set or pay an allowance to contribute to the cost of care for Members' Dependents while they are engaged on Authority Business.**
- k. **To index the approved payments set out in the Authority's Members' Allowances scheme as follows:**
  - i. **Basic Allowance, SRAs, Co-optees' Allowance and Independent Persons annual remuneration are indexed to the annual percentage salary increase for local government employees (at spinal column 49 or the equivalent level if the spinal column points are revised), to be applied from the same year that it applies to employees.**
  - ii. **Travel Allowances including Mileage Rates, and Subsistence Allowances are indexed to the same rate that is applicable to Officers, except the Passenger Supplement Mileage rate.**
- l. **To apply these indices for four years from date of the first application of the relevant indices to the Basic Allowances and Special Responsibility Allowances on 1st April 2019 to the end of**

**the financial year 2023.**

**3. To confirm that any changes to the scheme will be effective from 6 July 2018 and not backdated.**

**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 to pay Members basic, special responsibility and other allowances.
  - The Local Authorities (Members Allowances) (England) 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.
6. It is recognised that the current review of National Parks may also have an impact on the size and structure of the Authority but a further postponement is not proposed as this review of allowances had commenced before the Government announcement was made and timescales for implementing the findings of the National Parks Review are not yet clear.
7. In agreeing a review of the existing scheme, the Authority agreed that an Independent Person should be appointed to carry out the review. The benefit of this approach was that it delivered an independent review, but avoided the time and expense needed to set up and maintain an IRP, while meeting the requirements of the Regulations as they apply to a National Park Authority.
8. Individuals and legal firms with the skills, experience and knowledge to carry out a

review were invited to provide a quote for carrying a review and responses were evaluated based on availability, price and previous experience of working with a National Park Authority.

9. As a result of this process Dr Declan Hall, a former academic who now specialises in the field of Members' allowances and support, was appointed to undertake the review and asked to 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-member allowances, 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.
10. Dr Hall was able to exercise his own discretion on how he reviewed the existing scheme and the process used to develop his recommendations, which included inviting evidence from Authority Members and senior Officers and gathering comparative data from local authorities and other national park authorities.

### **Proposals**

11. The Authority has now received a copy of Dr Hall's final report. A copy of the report and recommendations is attached as Appendix 1. An Executive Summary of the report is provided on pages 2 to 5.
12. Members are asked to consider the report and its recommendations. In approving any changes to its Members' Allowances Scheme the Authority does have discretion on whether to implement the recommendations in the report. Members are free to accept, reject or amend any or all of the recommendations. Dr Hall will be present at the meeting to present his findings and answer any questions.

### **Are there any corporate implications members should be concerned about?**

#### **Financial:**

13. Costs for carrying out the review were met from the Member Services budget using revenue savings arising from having up to three vacant places on the Authority during 2017 and the first half of 2018.
14. If all the proposals set out in the report are approved the total full year cost of basic and special responsibility allowances would be £85,848 (Before tax and National Insurance deductions). This represents an increase of £15,585 from the rates paid in 2017/18 (This includes the April 2018 increases arising from the previously agreed index). After the decision to carry out a review, provision was made in the 2018/19 Member Services budget to cover any potential costs that could arise as a result of the Independent Person making a recommendation to increase the basic allowance and special responsibility allowances, introduce new allowances or increase travel and subsistence rates. This provision is sufficient to cover the cost of implementing all the recommendations in Dr Hall's report.

**Risk Management:**

15. 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:**

16. None

**Equality:**

17. 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.

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

None

19. **Appendices**

Appendix 1 An Independent Review of Members' Allowances for the Peak District National Park Authority - A Report by Dr Declan Hall.

**Report Author, Job Title and Publication Date**

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