

**An Independent Review  
Of  
Members' Allowances  
For the  
Peak District  
National Park Authority**

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A Report

By

**Dr Declan Hall**

**June 2018**

## EXECUTIVE SUMMARY

<b>Peak District National Park Authority Review May 2018</b>	<b>Recommended Maximum Payable 2018/19</b>				
<b>POSITION</b>	<b>Nos. Paid</b>	<b>Basic Allowance</b>	<b>Method to arrive at BA</b>	<b>Total per Member (BA+SRA)</b>	<b>Sub Total Per Category</b>
<b>BASIC ALLOWANCE</b>	30	£2,300	24 days X £95.82 p/day		£69,000
<b>SPECIAL RESPONSIBILITY ALLOWANCES ("SRAs")</b>		<b>SRA annual</b>	<b>Method to arrive @ SRA</b>		
Authority Chair	1	£5,750	2.5 X BA	£8,050	£5,750
Authority Deputy Chair	1	£2,875	Chair's SRA X 50%	£5,175	£2,875
Planning Committee Chair	1	£2,875	Chair's SRA X 50%	£5,175	£2,875
Audit Resources & Performance Committee Chair	1	£2,300	Chair's SRA X 40%	£4,600	£2,300
Planning Committee Vice-Chair	1	£1,898	Planning Chair X 2/3	£4,198	£1,898
Audit Resources & Performance Committee Vice-Chair	1	£1,150	ARP Chair X 50%	£3,450	£1,150
<b>Sub Total - Basic Allowance</b>	<b>30</b>				<b>£69,000</b>
<b>Sub Total - SRAs</b>	<b>6</b>				<b>£16,848</b>
<b>Total (BA+SRAs)</b>					<b>£85,848</b>

### Clarifying the expenses that the recommended Basic Allowance includes

1. It is recommended that the revised 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. It is further recommended that this clarification is inserted in the Members' Allowances Scheme.

### SRAs considered but not recommended:

2. The following roles are not being recommended that an SRA should be payable:
  - a) The Ordinary Members of Planning Committee
  - b) Member Representatives

### **The Co-optees' Allowance**

3. It is recommended that the Co-optees' Allowance is reset at £575 for 2018/19.

### **The Independent Persons (X 2)**

4. It is recommended that the remuneration for the Independent Persons is reset at £1,150 for 2018/19.

### **Maintaining Provision for Travel and Subsistence Allowances**

5. It is recommended that the provision for travel and subsistence allowances is maintained.

### **Travel and Car Mileage Allowances**

6. It is recommended that the current definition of approved duties for which mileage and other travel may be claimed is maintained
7. It is recommended that similar to the introduction to the Officers Travel and Subsistence Scheme that a short introductory statement is inserted at the start of Schedule 2 of the Members' Allowances scheme that states:

The general principle underlying the mileage and travel allowances is that Members shall only claim such allowances where they have been

- Appointed to an Authority Committee/panel/forum or to an outside body by the Authority
- Invited by an Officer or Chair or other appropriate Committee Chair to attend a meeting or event
- Generally in attendance as a formal representative of the Authority

8. It is also recommended that at the end of each item 1 and 4 (first section) of Schedule 2 that the following clarification is inserted:

- "... to which a Member has been appointed."

### **The rates at which mileage can be claimed**

9. It is recommended that the mileage rates for 2018/19 are maintained.
10. The issue in this regard was that the mileage rates were too low – 40p per mile – and did not reflect the true cost of travelling to approved duties, and had remained at 40p per mile for at least the past 10 years. This was resolved in April 2018 when the rate increased to 45p to match the increase given to Officers.
11. It is recommended that a Passenger Supplement rate of 5p per mile per passenger up to a maximum of three passengers is added to the travel allowances. It should also specify that for a claim to be made under this provision any passenger must also meet the conditions of an approved duty.

### **Subsistence Allowances**

12. It is recommended that the current maximum Subsistence rates for which Members may claim reimbursement continue to be based on the same rates that apply to Officers and therefore unaltered at this juncture.
13. It is further recommended that the Members' Allowances scheme is clarified by setting out the expected process and conditions by which Subsistence for Members is arranged and it is made clear that when Members make arrangements for subsistence through the Democratic & Legal Services Team ("DLST") then the published maximum rates are not applicable. In particular, Section 5 (Subsistence) of the Officers Travel and Allowances Scheme should be suitably adapted to ensure it refers to Members and inserted into a new section on Subsistence in the Members' Allowances Scheme.

### **Issues arising – support for care of Members' Dependants**

14. While the issue of care for Members' Dependants arose during the course of the review the Authority cannot pay a Dependants' Carers' Allowance so no recommendation is being made in this regard

### **Indexing Allowances**

15. It is recommended that the Peak District NPA Members Allowances are indexed as follows:
  - Basic Allowance, SRAs, Co-optees' Allowance and Independent Persons annual remuneration:
    - Indexed to the annual percentage salary increase for local government staff (at spinal column 49 or the equivalent level if the spinal column point is revised in future)), to be applied from the same year that applies to Officers
  - Travel Allowances including Mileage Rates, and Subsistence Allowances:
    - Indexed to the same rate that is applicable to Officers, except the Passenger Supplement Mileage rate – it is not being recommended that this allowance is indexed
16. It is further recommended that the applicable indices should run the maximum length permitted by the 2003 Regulations, namely four years from date of the first application of the relevant indices to the Basic Allowances and SRAs on 1<sup>st</sup> April 2019 to end of the financial year 2023.

### **Implementation of Recommendations**

17. It is recommended that the recommendations contained in this report are implemented from the date of the Authority's Annual Meeting on 6<sup>th</sup> July 2018.

### **Fulfilling the Regulatory Requirements**

18. The reviewer has fulfilled the regulatory requirement to pay regard to the recommendations of the Independent Remuneration Panel's ("IRPs") in the nominating councils of the Peak District National Park Authority ("Peak District NPA") in arriving at the recommendations contained in this report.

# **An Independent Review of Members' Allowances**

**For the**

**Peak District National Park Authority**

**June 2018**

## **Introduction**

1. This report contains the recommendations arising out of the independent review of Members' Allowances for the Peak District National Park Authority (Peak District NPA) carried out during March – May 2018. The review was conducted by Dr Declan Hall, an independent consultant, who was commissioned in March 2018 to make recommendations to the Peak District NPA on the range and levels of allowances that should be paid to the Members of the Authority ("the Reviewer"). While the Peak District NPA is not required to commission an independent review of its allowances, it has done so as to conform to the broad requirements for the nominating councils and in line with good practice followed by similar public bodies, including other NPAs, when determining their allowances.

## **The Regulatory Context and Paying Regard to Nominating Districts**

2. The relevant legislation enabling the Peak District NPA to establish a Members' Allowances scheme is Schedule 7, paragraphs 11 (1-2) of the Environment Act 1995. This has the effect of deeming national park authorities to be one of the types of local authority that can be required by Regulations to prepare a Members' Allowances scheme.
3. Subsequently, *the Local Authorities (Members' Allowance) (England) Regulations 2003*<sup>1</sup> ("the 2003 Regulations") and the *New Council Constitutions: Guidance on Regulations for Local Authority Allowances May 2006 Statutory Guidance*<sup>2</sup>, ("the 2006 Statutory Guidance") set the legislative framework for all local authorities, including NPAs, when determining and amending their Members' Allowances Schemes. Most of the 2003

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<sup>1</sup> Statutory Instrument 2003 No. 1021, *The Local Authorities (Members' Allowances) (England) Regulations 2003*

<sup>2</sup> *New Council Constitutions: Guidance on Regulations for Local Authority Allowances*, May 2006, Department of Communities and Local Government

Regulations, notably Parts 1, 2, and 3, are applicable to all English NPAs. Likewise, all of the 2006 Statutory Guidance except where it specifically refers to the establishment and work of a local independent remuneration panels applies to NPAs.

4. The legislation permits the Peak District NPA (or Authority) to determine most aspects of its own scheme of allowances. Similarly, all English principal councils have the same freedom in determining their allowances schemes but only after they have paid regard to the advice of their statutory IRP. NPAs are not required to establish an IRP. Instead, all NPAs before they make or amends their allowances scheme:

shall have regard to the recommendations made by any independent remuneration panels in relation to any authority of a description referred to in regulations 3(1)(a), (b) or (c) by which any of its members are nominated.<sup>3</sup>

5. In other words, there is no statutory requirement for the Peak District NPA to have its own IRP or independent review before setting or amending its' Members' Allowances scheme – it can be reviewed internally. However, before any changes can be made to its' Members' Allowances Scheme the Authority is required to pay regard to the recommendations of the IRPs for the 11 principal councils (or nominating authorities) that appoint Members to the Peak District NPA.
6. Consequently, as per the requirements of the 2003 Regulations, all nominating authorities were asked to forward their most recent IRP reports and they have been taken into account in arriving at the recommendations contained in this report. The relevant nominating authorities and their most recent published IRP reports are as follows:

- I. Barnsley MBC
  - Report of the Independent Remuneration Panel March 2015
- II. Cheshire East Council
  - Report of the Independent Panel on Members' Allowances 2016
- III. Derbyshire County Council
  - Independent Remuneration Panel – Annual Report January 2017
- IV. Derbyshire Dales District Council
  - Report and Recommendations of the Review of Members' Allowances 2015 by the Independent Remuneration Panel
- V. High Peak Borough Council
  - Members' Allowances Scheme May 2013<sup>4</sup>
- VI. Kirklees Council
  - Members' Allowances Independent Review Panel, 6<sup>th</sup> November 2014
- VII. North East Derbyshire District Council

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<sup>3</sup> *The Local Authorities (Members' Allowances) (England) Regulations 2003*, 19.(2)

<sup>4</sup> As a copy of latest Report by the IRP for High Peak Borough Council was unavailable its current Members' Allowances Scheme has been substituted in its stead.

- Report of North East Derbyshire District Council Independent Remuneration Panel: A Review of Councillors' Allowances February 2013
- VIII. Oldham Council
- Recommendations of the Independent Remuneration Panel, 2017
- IX. Sheffield City Council
- Members' Allowances: Report of the Independent Remuneration Panel, 2017/18 and onward, January 2017
- X. Staffordshire County Council
- Report of the Independent Remuneration Panel 2016/17, March 2016
- XI. Staffordshire Moorlands District Council
- Report of Independent Remuneration Panel 2017
7. **The Reviewer has fulfilled the regulatory requirement to pay regard to the recommendations of the IRPs in the nominating authorities of the Peak District NPA in arriving at the recommendations contained in this report.**
8. Thus, the Peak District NPA has commissioned this independent review to provide advice to the Authority on allowances that go beyond the regulatory minimum requirements. In providing such advice, the review has applied similar principles that nominating authority IRPs utilise their reviews. In addition, this review has been conducted within the spirit of the 2003 Regulations that apply to nominating authorities and not just the sections applicable to NPAs.

### **Allowances that can and cannot be paid**

9. The 2003 Regulations that are applicable to NPAs require them to establish their own scheme of allowances that:
- Provide for the payment of a Basic Allowance, which *shall* be the same amount for each Member.
  - *May* provide for the payment of a SRA to those Members who have such special responsibilities as defined in the 2003 Regulations
  - *May* provide for the payment of travel and subsistence allowances and how and what rates payable
  - *May* provide for the payment of a Co-optees' Allowance
  - *May* provide for annual adjustments by reference to an index
  - *May* provide for backdating of amendments with effect from the beginning of the financial year
10. All NPAs are also required to:
- Publish their Scheme of Allowances
  - Maintain a record of allowances paid to Members, with such record being available for inspection at all reasonable times.
  - Publish a list of allowances payments made at the end of each year.

11. There is no express power or requirement for NPAs to:
  - Make direct provision for the payment of a Dependents' Carers' Allowance (DCA)
  - Establish an IRP.
12. The 2003 Regulations terminate the ability of the NPAs to pay:
  - Attendance Allowances
  - Conference Attendance Allowances

### **The Reviewer**

13. The Peak District NPA appointed Dr Declan Hall to undertake the review of its allowances scheme. Dr Hall is a former academic<sup>5</sup> who specialises in the field of Members' allowances and support
14. The review was supported and serviced throughout by the following Officer:
  - Jason Spencer, Democratic Services Manager
15. The Reviewer would like to record his gratitude to the Members and Officers of Peak District NPA for ensuring the work of the review was effectively supported.

### **Terms of Reference**

16. To review the Authority's existing Members' Allowances Scheme and make a recommendation to the Authority about the type and level of allowances to be paid to Authority Members, Independent Persons and Co-optees; making specific recommendations on:
  - The amount of Basic Allowance that should be paid to Authority Members.
  - The roles and responsibilities for which a SRA is payable and how the amount of each such allowance is calculated.
  - The amount of any allowance paid to non-elected members such as a Co-optee or an Independent Person.
  - The duties for which travel and subsistence can be paid to Members and Independent Persons and Co-optees and the amount of each such allowance.
  - Whether any proposals to increase allowances should be backdated.
  - Any proposed index to be used to update allowance levels annually and how long this index should be used for.
  - The tax and national insurance implications for any changes to the Scheme.

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<sup>5</sup> Dr Hall has been *inter alia* a lecturer at the Institute of Local Government, University of Birmingham and lecturer in State and Local Politics at the University of Southern Indiana

- Any other issues associated with the Authority's Scheme identified during the review.
17. In making recommendations the Reviewer should have regard to:
- The existing Scheme and whether it is fit for purpose.
  - The most recent IRP reports from the 11 principal councils that appoint to the Peak District NPA.
  - The current allowance schemes of other English NPAs
  - Feedback obtained from Authority Officers and Members.
  - The current economic climate and funding available for NPAs.
  - Best practice on allowance schemes and determining the amount to be paid.

### Approach and Methodology

18. The Reviewer visited the Offices of the Peak District NPA at Aldern House, Bakewell, on 8<sup>th</sup> March and 13<sup>th</sup> April 2018 to meet with a representative range of Members to seek their views on the current allowances scheme and possible areas for reform. On the same visits, meetings were held with a number of senior Officers to receive factual briefings on the Authority.
19. To ensure that all Members were able to exercise a voice they were all sent a short questionnaire that addressed the terms of reference for the review inviting them to submit any views they may have on the review to Dr Hall, if they so wished. Six questionnaires were returned and another written submission was made that was not based on the questionnaire. The questionnaire also formed the basis of the Member interviews to ensure all Members were asked a common set of questions.
20. The review process fell into four distinct phases:
- I. **Preparation and research:** Review of the all the relevant background and contextual information on Peak District NPA required in arriving at recommendations i.e., recent changes to governance structures and Member roles, role profiles, meetings schedules, committee terms of reference, relevant Authority reports, latest reports from IRPs of the constituent councils and allowances schemes from comparator authorities. See Appendix One for the full list of information considered for this review.
  - II. **Interviews with Members and Officers of the Authority:** Interviews with Members were discursive in nature, exploring remuneration models, seeking out issues of concern while interviews with Officers were to get the facts, i.e., how the Authority operates, the main committees and roles, and challenges faced by the Authority. Just prior to the interviews the written submissions were reviewed to identify issues arising. See Appendix Two for list of interviewees.

- III. **Benchmarking:** Analysis of allowances schemes from other NPAs in England. See Appendix Three for full summary of English NPA benchmarking.
  - IV. **Arriving at recommendations:** Reflections on phase's I-III and the drafting of a Report to go to the Authority.
21. A tiered approach was adopted in considering the evidence. The review is required to operate within the statutory framework laid down by the 2003 Regulations and 2006 Statutory Guidance. The 2003 Regulations establish the boundaries for the review, i.e., attendance allowances cannot be paid, all Members must receive a Basic Allowance that is equal in value and express authority is granted to vary the terms and conditions for the payment of the Co-optees' Allowances, or indeed whether to pay the Co-optees' Allowance or even SRAs.
  22. The next level of evidence considered were the representations made by the Members and the briefings from Officers of the Authority. The Member interviews and written submissions were used to identify and aggregate issues of concern and just as importantly on issues where there were no issues arising. The interviews were also utilised to challenge statements and to act as a 'sounding board' to suggestions and ideas from the Reviewer. The briefings from Officers put the representations into a Peak District NPA context.
  23. Finally, all the evidence and representations have been reviewed and evaluated within the comparative context.

### **Observations/Comments – Achieving uniformity and comparability**

24. A key theme that emerged from the representations was that there should be a national allowances framework for English NPAs, similar to that in place in Wales and Scotland. However, this is outside the scope of this review – it is an issue that is best taken up via National Parks England or directly with the Department for Environment, Food & Rural Affairs (“DEFRA”). The reality is that as with principal councils, local determination means variation in allowances that takes into account differences in governance structures and particular circumstances of individual NPAs.
25. Regardless it was noted that there had been no full review of the Peak District NPA Members' Allowances Scheme since 2007 and in lieu of a national framework that would be reviewed periodically this review was generally welcomed if nothing else to obtain a picture of where Peak District NPA allowances stand compared to other NPAs.
26. A related theme made in the representations was that the allowances payable in Peak District NPA should be at least 'comparable' with other English NPAs. Benchmarking (see Appendix Three and below) shows that by and large the SRAs payable in the Peak District NPA are comparable or in some cases above that paid in other English NPAs. It is the Peak District NPA Basic Allowance that does not meet the test of 'comparability' in that it is somewhat below the mean/median Basic Allowance paid in English NPAs. As such the

main thrust of this review has been to revise the Basic Allowance to ensure comparability with peers.

### **Valuing Members versus recognising the current economic context**

27. There were two contradictory but not necessarily irreconcilable themes emerging from the representation. There was a view (by no means overwhelming) that the current Basic Allowance in particular did not 'value' Members in that it was at a level that did not recognise the work and effort that Members put into their various roles. More than one Member reckoned that their remuneration in effect equated to less than minimum wage once they had reviewed their workloads
28. On the other hand, there was general acknowledgement that the Basic Allowance and SRAs could and should not be seen as paid employment. Furthermore, it was emphasised that the review should be cognisant of current economic context in that the Authority has had to find savings of up to 30% of its grant support since 2010. It was also noted that Officers are having to 'do more with less' and that any increases in Members Allowances would have to be justifiable and defensible.

### **Recognising Public Service versus providing appropriate support**

29. A strong theme emerging from the interviews and written submissions was that Members should not be and are not seen to be seeking financial gain by serving on the Peak District NPA. An element of their work on the Authority should be given as public service and the level of allowance paid should reflect this by not being deemed excessive. Being a Member of the Peak District NPA should not be seen as employment and the allowances should reflect that principle.
30. On the other hand, there was a strong message that the level of allowance should reflect the need to ensure Members were not being financially disadvantaged by serving on the Authority. Therefore, the scope and levels of remuneration recommended should seek to reduce barriers to appointment and retention of Members by recognising the demands required of them. This view is backed up by the policy behind the current model of Members' remuneration across English local government in that the presumption behind the requirement to establish a scheme of allowances is to support the different roles and responsibilities that are demanded from Members.

### **Transparency and Reasonableness**

31. Another theme emerging from the representations received was that the recommended allowances should be transparent, in that the basis of the recommendations could be understood by both the membership and public i.e., what the allowances were being received for and why. In other words, be seen to be reasonable. Consequently, the recommendations should be based on a logical construct and not just a simple set of figures. It is clear that there

is very limited understanding of how the current allowances scheme was arrived at.

## The Evidence Considered and Recommendations – The Basic Allowance

32. In arriving at the recommended Basic Allowance, the review followed the approach most commonly utilised by the statutory IPPs for principal Councils. This methodology is set out in the 2006 Statutory Guidance, which is also issued to NPAs, (paragraphs 67-69<sup>6</sup>). In arriving at a Basic Allowance, the 2006 Statutory Guidance sets out three variables that should be considered, namely:

- **Inputs:** the time required to undertake the various roles associated with the Basic Allowance
- **Public Service:** the Basic Allowance should recognise the voluntary principle in that “some element of the work of members continues to be voluntary.” (Paragraph 68). This is often known as the public service discount (PSD), which is usually calculated as a percentage of the time input required that should be seen as service to the public and therefore not remunerated
- **Rate for Remuneration:** this is the rate at which the remunerated time required for the roles associated with the Basic Allowance should be paid

### Required Time Inputs

33. In a briefing pack for applicants for the appointment of Secretary of State Members to NPAs, issued by DEFRA in March 2018, it states that for the Peak District NPA: “Members are asked to commit 3-4 days per month, plus reading and preparation time, to the Authority’s work.”<sup>7</sup>
34. Although this expressed time commitment relates to applicants to Secretary of State Appointments there is no reason to differentiate between these appointees and appointees from the nominating authorities, they are not expected to have differential workloads. Moreover, the Basic Allowance must be paid equally to Members.
35. This is not to say that all ‘ordinary’ Members of the Authority are required to put in an equal amount of time on the roles associated with the Basic Allowance. Indeed, the representations varied on time commitment but

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<sup>6</sup> Department for Communities and Local Government, *New Council Constitutions: Guidance on Regulation for Local Authority Allowances*, London, 5<sup>th</sup> May 2006.

<sup>7</sup> Department for Environment, Food & Rural Affairs, “Appointment of Secretary of State Members to National Park Authorities and Area of Outstanding Natural Beauty (AONB) Conservation Boards – Briefing pack for applicants” March 2018, page 9.

recognised it largely depended on whether a Member was on the Planning Committee and where relevant their approach to the role as a Member Representative. For instance, Members on the Planning Committee are required to attend 24 meetings per year on that committee alone – 12 meetings per year for Planning Committee plus another 12 site visits per year. Whereas ‘ordinary’ Members not on Planning are expected to sit on the Audit Resources and Performance Committee which meets at least six times per year. This is in addition to 6 Authority meetings, followed by Members’ Forum meetings immediately afterwards, per year and additional workshops and training events and ‘other’ scheduled events up to 12 times per year that all Members are expected to attend. All these commitments are within normal working hours and do not include meetings with parish councils, the public and other stakeholder groups.

36. Nonetheless, this expressed time commitment of 3-4 days per month provides a firm lead on the time input required to fulfil all the duties associated with the Basic Allowance. In arriving at the time commitment as the first variable when considering the Basic Allowance the midpoint between 3-4 days has been utilised; this equates to 3.5 days per month or 42 days per year.

### **Recognising the Voluntary Principle**

37. When arriving at a recommended Basic Allowance the 2006 Statutory Guidance (paragraph 68) states:

It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.

38. The most frequent way of recognising this voluntary principle, as indicated in the 2006 Statutory Guidance, is to discount an element of the time inputs expected from Members, i.e., “that some hours are not remunerated”. But the same Statutory Guidance also recognises that there is a balance to be struck in the size of the voluntary contribution lest it is so high that most of the time input is voluntary and leads to a Basic Allowance that is so low it effectively means any Member who is working would suffer a financial loss through being a Member.
39. Consequently, the size of voluntary contribution in principal councils typically ranges from between one third and a half of the expected time input from Members. In other words, between one third and half of expected time inputs is discounted as the public service element. For the purposes of this review, the mid-point of this range has been chosen as the appropriate size of the Public Service Discount, which equates to 42% or 18 days<sup>8</sup>. In other words, 18 days has been discounted from the annual expected input of 42 days to recognise the voluntary principle. Consequently, in arriving at the

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<sup>8</sup> Figures rounded up/down to nearest whole number for simplicity

recommended Basic Allowance the remunerated time is based on 24 days per year.

## A Rate for Remuneration

40. Historically as a service to member authorities, the Local Government Association (LGA) each year circulated a revised member allowances daily rate as guidance to statutory IRPs in settling upon a rate for remuneration. The LGA daily session rate, as published in LGA alert 62/10 (23 June 2010) was £152.77 and it was derived from the mean gross earnings for male non-manual employees as published each year by the Office of National Statistics in its Annual Survey of Hours and Earnings (ASHE) but by 2012 the LGA stopped publishing such guidance for IRPs. There were two main reasons for this discontinuation:
- i. The LGA daily session rate, which had risen to over £160 per day in its last year of publication (in 2011) had reached a level that had become hard to justify to local taxpayers and the public in general
  - ii. ASHE started to publish average earnings on a local authority basis – and when that occurred statutory IRPs used their respective local authority average earnings as the basis of their rate for remuneration. This had the advantages of being a lower day rate than the LGA day rate and it related their recommended Basic Allowance to the average earnings of Councillors constituents, thus being a more robust and defensible basis for the rate of remuneration.
41. As with most statutory IRPs the rate for remuneration for arriving at the Basic Allowance for this review has been chosen for having the closest link to the average earnings of those who live and work in the Peak District NP. However, while ASHE publishes average earnings on a national, regional, county and local authority basis it does not publish average earnings on a National Park basis so another appropriate geographical area has been chosen, which is the most relevant region for the Peak District NPA.
42. The Authority spreads into four English regions but as the greater part is within the East Midlands for regional representation purposes the Authority appoints to the East Midlands Councils.
43. Consequently, the chosen rate for remuneration has been based on the East Midlands median weekly pay (excluding overtime) for all full time employees within the East Midlands (2017), which is £479.10<sup>9</sup>. When divided by five working days per week this converts to a day rate of £95.82.

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<sup>9</sup> See Annual Survey of Annual Earnings (ASHE), Table 7.2a, Median Weekly pay – excluding overtime – for full-time employee jobs in the East Midlands – Provisional 26 October 2017, Office of National Statistics.

[ASHE Table 7.2a average weekly earnings exc. OT work geography Oct 2017](#)

ONS advises that the median rather than mean earnings are a more accurate reflection of ‘average’ earnings the distribution of earnings is skewed, with more people earning lower salaries than higher salaries. When using the mean to calculate the average of a skewed distribution and thus may not be truly representative of the average earnings of a typical person.

## Calculating a Basic Allowance

44. Once IRPs settle upon figures for the three variables to consider in arriving at a Basic Allowance they then apply them to a simple formula expressed as
  - Time input minus public service discount multiplied by rate of remuneration
45. By taking the figures settled upon for the three variables for this review and applying it to the standard formula to arrive at a Basic Allowance results in the following calculation:
  - 42 expected days input per years minus 18 days for the public service discount X £95.82 per day
  - = £2,299.68
  - = £2,300 rounded up/down to nearest £

## Benchmarking the Basic Allowance – Against English NPAs

46. The tentative Basic Allowance (£2,300) arrived at by applying the methodology set out in the 2006 Statutory Guidance has been benchmarked against the Basic Allowance paid across the 10 English NPAs<sup>10</sup>.
47. Appendix Three shows that in English NPAs the Basic Allowance (as of the time of the review in March-April 2018) payable is:
  - Mean Basic Allowance: £2,203
  - Median Basic Allowance: £2,070
  - Highest Basic Allowance: £3,058 (Yorkshire Dales)
  - Lowest Basic Allowance: £1,046 (The Broads)
48. While by no means the lowest, benchmarking shows that the current Peak District NPA Basic Allowance (£1,825) is seventh in ranking (with one being the highest). However, as with all benchmarking some context is required to put the figures in perspective. In particular, the two Authorities that pay the lowest Basic Allowance (The Broads and Dartmoor respectively) pay more SRAs than in the Peak District NPA. For instance, in the Broads, all members of the Planning Committee and those who are “Lead Members” receive an SRA of £523, in addition to three Chairs plus three Vice Chairs receiving an SRA (as opposed to two + two in the Peak District NPA). Consequently, in contrast to the Peak District NPA, the majority of Members in the Broads are paid an SRA. Likewise Dartmoor NPA has a comparatively low Basic Allowance (£1,644) pays more SRAs than in the Peak District NPA. It is often the case that where a ‘low’ Basic Allowance is paid it is compensated for by having more SRAs payable – although this is not the case in the Peak District

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<sup>10</sup> A standard Basic Allowance (£3,600) is paid to members of the 3 Welsh NPAs. Members of the 2 Scottish NPAs are paid a standard rate of remuneration of £200 per day, which gives a Basic Allowance starting at about £4,800 but as it depends on days put in it is more typically double that figure. Welsh and Scottish NPAs have not been included in the benchmarking as their remuneration is a devolved responsibility and is determined in accordance with their respective national frameworks.

NPA where a comparatively low Basic Allowance has been paid in conjunction with comparatively few SRAs.

49. More importantly benchmarking the tentative Basic Allowance (£2,300) shows it to be slightly higher than the current mean and median Basic Allowance paid across all English NPAs but the difference is so marginal as not to be significant thus meeting the principle of comparability that was enunciated in the representations received which in turn is appropriate for one of the larger and more complex NPAs.

### **The Recommended Basic Allowance**

50. The tentative Basic Allowance (£2,300) arrived at by following the methodology set out in the 2006 Statutory Guidance is in line with peer Authorities and as such **it is recommended that the Basic Allowance is reset at £2,300 to be paid from the date of the Annual Meeting on 6<sup>th</sup> July 2018.**

### **Clarifying the expenses that the recommended Basic Allowance includes**

51. The 2006 Statutory Guidance points out that the Basic Allowance “is also intended to cover incidental expenses.”<sup>11</sup> The Statutory Guidance does not define “incidental expenses” beyond citing the example of “the use of a Member’s home”. Currently the Peak District NPA Members’ Allowances Scheme defines incidental expenses/costs that is covered by the Basic Allowance to include the “use of home and private telephone facilities.”
52. Out of the nine other NPAs<sup>12</sup> seven specify that the Basic Allowance is deemed to cover expenses Members may incur such as use of their home, personal computers, printing and IT consumables, private telephone usage and occasional postage and stationery. South Downs NPA allowances scheme makes no mention of the expenses the Basic Allowance is deemed to cover whereas at the Lake District NPA, there is an additional Information Communications and Telecommunications Allowance of £20 per month.
53. The provision of additional allowances to recompense operational expenses was common when the Basic Allowance was low. In the modern era, where the Basic Allowance is no longer seen as an *honorarium*, it is much less common. Moreover, it is not unreasonable in light of the recommended Basic Allowance for a wide definition of minor operating costs that the Basic Allowance covers.
54. As such **it is recommended that the revised 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**

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<sup>11</sup> 2006 Statutory Guidance, paragraph 10

<sup>12</sup> Except South Downs NPA where no mention is made of what expenses the Basic Allowance is deemed to cover.

**and information technology. It is further recommended that this clarification is inserted in the Members' Allowances Scheme.**

### **Arriving at Special Responsibility Allowances – the Chair of the Authority**

55. The 2006 Statutory Guidance does not specifically set out a single approach to arrive at an SRA for a council Leader or NPA Chair. Rather it suggests a number of approaches that IRPs may wish to consider, such as comparing the post of Leader or Authority Chair to another public position, or simply assessing it on a time basis or as a factor or multiple of the Basic Allowance.
56. It is this factor approach that has historically been utilised in the Peak District NPA to arrive at the Chair's SRA and it is the most common methodology utilised by the IRPs for the nominating councils to arrive at a Leader's SRA. For instance, the IRPs for Derbyshire County Council and Derbyshire Dales DC have utilised a factor of 2.5 times the Basic Allowance to arrive at the Leader's SRA, in Kirklees the operational factor is two and in Oldham it is three.
57. The factor utilised at Peak District NPA to arrive at the Chair's current SRA (£5,475) is a multiple of three times the current Basic Allowance (£1,825). A factor of three times the Basic Allowance to set the Chairs SRA is a comparatively high multiple compared to other NPAs. Out of the nine other English NPAs the following multiples are utilised:
- A factor of two X the Basic Allowance utilised by six NPAs
  - A factor of three X the Basic Allowance utilised by two NPAs
  - A factor of 3.75 X the Basic Allowance utilised by one NPAs
  - Mean factor X the mean Basic Allowance = 2.3
58. The one Authority that utilises a higher factor than Peak District NPA is the Broads which uses a factor of 3.75 times the Basic Allowance to arrive at the Chair's SRA and is largely due to having such a low Basic Allowance to start off with. A factor of three times the Basic Allowance is more commonly utilized by IRPs to arrive at the SRA for executive Leaders e.g., see Oldham IRP Report 17 May 2017. Regardless benchmarking shows that a factor of three times the Basic Allowance to arrive at the Chair's SRA is a comparatively high compared to other NPAs, where the average factor is 2.3.
59. This is not to say the Peak District NPA Chair's SRA is especially high; rather that the current Basic Allowance is on the low side. There was some representation received that argued the Chair's SRA merited an uplift on the basis that the Chair was very active and put a great deal of work into the role not just within the Authority but at a regional and national level as well.
60. On the other hand, benchmarking shows that the Chair's SRA (£5,475) is broadly on a par with peers
- English NPAs Chairs' SRA Mean: £5,107
  - English NPAs Chairs' SRA Median: £5,234

61. If the current methodology was maintained and the Chair's SRA reset at three times the recommended Basic Allowance (£2,300) it would equate to £6,900 which would be the highest Special Responsibility Allowance and total remuneration paid to any Chair of an English NPA.
62. As such, the Chair's SRA has been reset at a factor of 2.5 times the recommended Basic Allowance, which also acknowledges the representation received that argued a small uplift was merited as well as bringing it closer to the mean factor. When the recommended Basic Allowance of £2,300 is factored by 2.5 it results in a recommended SRA of £5,750. **It is recommended that the Chair's SRA is reset at a multiple of 2.5 times the recommended Basic Allowance (£2,300) which equates to £5,750 to be paid from the date of the Annual Meeting on 6<sup>th</sup> July 2018.**

### Reconceptualising methodology to arrive at other SRAs

63. The 2006 Statutory Guidance states that "a good starting point" (Paragraph 76) in arriving at other SRAs is to pro rata downwards from the Leader's (or Chair's) SRA. Specifically, it proposes applying a commonly accepted percentage against a Leader's SRA to arrive at other SRAs. In other words, by definition the Chair's SRA is 100% (having the greatest time commitment and responsibility). Other SRAs are arrived at by applying a percentage to that sum, of, for instance, 50%-65% for the Deputy Chair's SRA; 35%-45% for main committee chairs' SRA and so on. All recommended SRAs in this report have been converted to the pro rata approach as it is the most common approach followed by statutory IRPs as it provides for a greater methodological flexibility than the factor approach.

### The Deputy Chair

64. The current SRA (£2,737) for the Deputy Chair of the Authority has been arrived at, as with all SRAs currently payable at Peak District NPA, as a factor of the Basic Allowance, in this case a multiple of 1.5. This is the equivalent of 50% of the Chair's SRA when converted to the pro rata approach.
65. Benchmarking shows that the current SRA (£2,737) for the Deputy Chair of the Authority is on a par with the mean SRA (£2,611) paid across the 10 English NPAs. It is somewhat above the median SRA of £1,924 but that reflects the relatively low key model of Deputy Chairs in many NPAs, i.e., stand in role only. In the Peak District NPA the Deputy Chair works more in tandem with the Chair. In addition, there is an expectation that the Deputy Chair will take a more outward facing role through outside appointments. Regardless, no evidence was received to revise the current ratio utilised in setting the SRA paid to Deputy Chair of the Peak District NPA; it should continue to be paid at 50% of the Chair's recommended SRA, which equates to £2,875.
66. **It is recommended that the Deputy Chair's SRA for 2018/19 should be £2,875.**

## The Chair of the Planning Committee

67. Similarly the SRA (currently £2,737) for the Chair of the Planning Committee has been arrived at by factoring the Basic Allowance by 1.5, which when converted to the pro rata approach equates to 50% of the Authority Chair's SRA.
68. Benchmarking shows the mean and median SRA for Planning Chairs across the nine English NPAs that remunerate a separate Chair of Planning to be £2,348 and £2,256 respectively. The somewhat higher SRA for the Chair of Planning in the comparative context is not a major concern – the Peak District NPA as well as being one of the larger NPAs also has a more complex mix of rural, urban, agricultural and industrial interests to balance than is typical. For example not only is the Authority the local planning authority it is also the mineral planning authority in respect of all matters relating to development control.
69. The more pertinent matter arising was whether it was appropriate for the Chair of Planning to receive an SRA on par with the Deputy Chair of the Authority. Benchmarking shows that five out of the ten English NPAs pay an equal SRA to their Deputy Chair and Planning Chair<sup>13</sup>. Moreover, planning is the principle function of any NPA and the forum in which all planning decisions that are not delegated to Officers are made. The post is a high profile one with a great deal of public and other pressure upon the Chair of Planning outside of formal meetings. It meets more frequently (12 times per year plus 12 site visits) than any other Authority committee. As such, the current SRA should be maintained on a par with the SRA paid to the Deputy Chair which is 50% of the Authority Chair's recommended SRA, which equates to £2,875.
70. **It is recommended that the SRA for the Chair of the Planning Committee should be £2,875 for 2018/19.**

## Vice Chair of the Planning Committee

71. The current SRA (£1,825) for the Vice Chair of the Planning Committee has been set at a multiple of one times the current Basic Allowance. Converted to the pro-rata approach, it is two thirds of the Planning Chair's SRA<sup>14</sup>, which is a high ratio. This is further highlighted by benchmarking; the mean and median SRAs for the six English NPAs that remunerate a Vice Chair of Planning are £1,007 and £882 respectively, with a mean ratio of 43% when compared to the mean SRA paid to Planning Chairs. In fact the Vice Chair of Planning at the Peak District NPA is the highest paid amongst all English NPAs but once again the planning functions are wider and more complex than in most other NPAs

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<sup>13</sup> Two NPAs pay a higher SRA to their Deputy Chair, two pay a higher SRA to their Chair of Planning and one NPA does not have a separately remunerated Chair of Planning

<sup>14</sup> In the pro rata approach SRAs for Committee Vice Chairs are typically set in relation to the SRA paid to the Chair of their Committee rather than the Leader or Authority Chair as it is a more direct comparison.

72. It is also noted that the role of the Vice Chair of Planning goes beyond the traditional function of standing in when required. The Planning Vice Chair attends agenda setting meetings and relevant briefings with Officers alongside the Chair and generally acts as a sounding board and support for the Planning Chair both at and outside Planning meetings. Under delegated powers to Officers, they will consult with the Chair *and* the Vice Chair of Planning. The Planning Vice Chair also attends the Chairs Forum held 3-4 times each year, which is an opportunity to take a more corporate overview of the Authority. Moreover, no specific evidence beyond benchmarking was received to alter the current ratio (2/3s of Planning Chair's recommended SRA) in setting the SRA for the Vice Chair of Planning, which equates to £1,898.
73. **It is recommended that the current SRA for the Vice Chair of the Planning Committee should be £1,898 for 2018/19.**

### **The Chair of the Audit, Resources and Performance Committee**

74. The SRA for the Chair of the Audit, Resources and Performance Committee has been set by factoring the current Basic Allowance by a multiple of one, which equates to £1,825. Converted to the pro-rata approach, it is one third of the Authority Chair's SRA, which is comparatively on the high side, the mean ratio of Chairs of similar committees across the six NPAs that remunerate such a post is 27% of the mean SRA. The mean and median SRA for Chairs of similar committees across the six English NPAs are £1,398 and £1,707 respectively.
75. However, this is not necessarily comparing like with like. Since this SRA was originally set the remit of this committee at the Peak District NPA has expanded, most noticeably with the addition of with resources and standards functions added. In effect it is now responsible for all other functions other than planning. This is not typically the case elsewhere. The remit of the Audit Resources and Performance Committee now includes:
- Finance:
    - including the Annual Statement of Accounts
  - Human Resources
  - Asset Management
  - Information Communications Technology
  - Audit and Corporate Governance:
    - including internal and external audit and scrutiny of the Treasury Management Strategy and Policies
  - Performance Management:
    - including agreeing performance indicators, monitoring the performance of the Authority within the Performance Management Framework
  - Standards
  - Implementation:
    - Mainly relating to the exercise of the Authority's statutory powers and duties in pursuance of the Authority's statutory purposes
  - General:

- Including authorising an Officer of the Authority to institute or defend any court proceedings on behalf of the Authority, National Park or its residents, appoint temporary Task Teams and appoint Members to attend conferences or seminars
76. In light of the expanded remit of the Audit, Resources and Performance Committee the issue was whether the current SRA should be put on a par with the Chair of the Planning Committee. However, despite the enlarged remit and the fact that the Chair has to spend more time than the Chair of Planning outside of formal committee meetings to keep on top of a wide ranging brief the SRA should not be on a par with the Chair of Planning. The main reason it is not being recommended that the Chair of Audit, Resources and Performance be paid an SRA on a par with the Chair of Planning is the difference in the number of meetings they each are required to chair.
77. Nonetheless, the SRA merits a resetting to recognise the enhanced remit and this should be done by uplifting the current ratio from one third to the next logical ratio of 40% of the Authority Chair's recommended SRA, which equates to £2,300.
78. **It is recommended that the SRA for the Chair of the Audit, Resource and Performance Committee should be £2,300 for 2018/19.**

#### **The Vice Chair of the Audit, Resources and Performance Committee**

79. The current SRA (£912) for the Vice Chair of the Audit, Resources and Performance Committee has been set at 50% of the current Basic Allowance Converted to the pro-rata approach, it is 50% of current SRA paid to the Chair of the Audit Resources and Performance Committee, which is broadly in line with the mean (54%) ratio for the SRAs paid to the four Vice Chairs of similar committees in English NPAs. The mean and median SRAs are £758 and £867 respectively.
80. The role of Vice Chair of Planning and Audit, Resources and Performance are different. It is appropriate that the Vice Chair of Planning is paid at a higher ratio than the Vice Chair of Audit, Resources and Performance due to the nature of planning in the Authority. Yet, for the same reasons that the SRA for the Chair of the Audit, Resources and Performance Committee has been reset then the SRA for the Vice Chair should also be recalibrated by maintaining it at 50% of the recommended SRA (£2,300) for the Chair of the Audit, Resources and Performance Committee, which equates to £1,150.
81. **It is recommended that the SRA for the Vice Chair of the Audit, Resource and Performance Committee should be £1,150 for 2018/19.**

#### **Consideration of paying other SRAs**

82. In considering the case as to recommend paying other SRAs the principle of responsibility rather than workload has been paramount. In particular, it is noted the 2006 Statutory Guidance states (Paragraph 72):

Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a special responsibility allowance.

83. This advice applies equally to NPAs, and highlights the considerations that a statutory IRP and this Reviewer need to take into account when considering the merits of recommending a post to be paid an SRA.

### **The Ordinary Members of Planning Committee**

84. While there was no representation received arguing that the ordinary Members on the Planning Committee should receive an SRA consideration was given to the possibility on the basis that the workload for such Members is greater than those Members on the Audit, Resources and Performance Committee. All Members are appointed to one of these committees and Planning Members are expected to attend 12 meetings plus 12 site visits per year while Audit, Resources and Performance Committee Members have six scheduled meeting per year.
85. However, an SRA for Planning Members is not being recommended on the basis that
- The prime purpose of an SRA is to recognise responsibility rather than workload and it would be contrary to the 2006 Statutory Guidance to pay an SRA to the Members of the Planning Committee
  - It is not common practice to do so elsewhere – the only other NPA that remunerates Planning Committee Members is the Broads and that is in the context of a low Basic Allowance
  - There is no shortage of Members seeking to go onto the Planning Committee
  - There was no support for it amongst Members, indeed as one Member pointed out to pay an SRA to Members on the Planning Committee would “unbalance” the Authority by placing undue emphasis on the Planning role, important though the role may be
  - It would lead to the potentially absurd situation where a majority of Members can (and in some authorities do) receive a SRA. Paying a SRA to Planning Committee Members would mean the majority of the Peak District NPA Members receiving a SRA which is also contrary to the 2006 Statutory Guidance which warns IRPs to be wary of recommending SRA for the majority of Members on any local authority<sup>15</sup>.
86. **It is not recommended that the Members of Planning Committee are paid an SRA.**

### **Member Representatives**

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<sup>15</sup> See 2006 Statutory Guidance paragraph 72

87. The Authority has for a number of years appointed Member Representatives who are assigned functional remits and each Member Representative acts as the 'lead' for their particular brief through having or developing relevant knowledge, acting as an advocate and media spokesperson and sounding board for relevant Officer[s]. Previous reviews have not recommended an SRA for Member Representatives with the proviso that the role would be re-examined at the next review in light of how the role of Member Representative subsequently developed.
88. There are currently 11 Member Representatives and at the 2017 Annual Meeting their roles were realigned with the National Parks 8-point plan published by DEFRA with an additional three Member Representatives appointed that reflect the priorities of the Authority.
89. It is clear that in the main Member Representatives do not exercise any formal responsibility although they do put in additional work above and beyond that of the 'ordinary' Member and in some cases a substantial amount of additional work through reading, meeting with their Lead Officer, attending stakeholder meetings and acting as a liaison for their brief. There is also a role profile for Member Representatives in general and a more specific outcomes framework for each remit.
90. However, an SRA for Member Representatives is not being recommended on the basis that
- It is not a statutory role
  - It is not common practice to do so elsewhere – the only other NPA that a similar role, in this case 'Lead Members', is the Broads and that is in the context of a low Basic Allowance
  - The purpose of an SRA is primarily to recognise responsibility rather than workload
  - The Peak District NPA "Job Description for Members of National Park Authorities" states that there "will be opportunities" to "champion or lead a specific area of the Authority's work." Thus it is role all Members can reasonably expect to undertake at some stage and therefore covered by the Basic Allowance
  - There was no support for it amongst Members
91. **It is not recommended that the Member Representatives are paid an SRA.**

### **The Co-optees' Allowance**

92. The Co-optees' Allowance is paid to non-elected Members appointed to committees of an Authority under the Local Government Act 2000. Co-optees are typically appointed for their expertise or as a representative of an important stakeholder group and while they may be full members of a committee they do not (since the Localism Act 2013) have voting rights. The 2003 Regulations permit the payment of a Co-optees Allowance to these

appointees and where a Co-optees Allowance is paid it has to be expressed as a ratio of the Basic Allowance as well as a monetary sum.

93. Although the Authority does not currently appoint any Co-optees the Authority's allowances schemes maintains provision for a Co-optees Allowance lest such a situation arose and the terms of reference for review require this allowance to be reconsidered so as to future proof the allowances scheme.
94. The current Co-optees Allowance is £608, which has been set at one third of the current Basic Allowance. This is the highest Co-optees Allowance amongst the four English NPAs that provides for such an allowance, with a mean and median value of £364 and £328 respectively. However, the Peak District NPA Co-optees' Allowance is only 'high' in a context of limited comparative practice. On the other hand, if there were any Co-optees they would be in all likelihood attending meetings on a bi-monthly basis or six times per year, which equates to six days per year. By applying the daily rate of remuneration (£95.82) used in resetting the Basic Allowance this equates to £575 – which figure is equivalent to 25% of the recommended Basic Allowance.
95. **It is recommended that the Co-optees' Allowance is reset at 25% of the recommended Basic Allowance, which equates to £575, for 2018/19.**

### **The Independent Persons (X 2)**

96. The remuneration of the Independent Persons falls outside the 2003 Regulations but in the absence of any other means to externally review their remuneration the terms of reference require a review of the payment made to the statutory Independent Persons appointed under the Localism Act 2013. Similar requests are often made of the statutory IRPs for principal councils.
97. The Independent Persons (IPs) replace the previous requirement to maintain a Standards Committee and the IPs prime role is to assist the Authority in promoting and maintaining high standards of conduct amongst all its Members. In particular, the IPs will be consulted by the Monitoring Officer before any decision is made on an investigated complaint and to be available to attend meetings of the Hearings Panel of the relevant Committee for this purpose. The IPs also replace the statutory role of Designated Independent Person (DIP) in disciplinary panels set up to make recommendations on any disciplinary actions in respect of Statutory and Chief Officers. Thus far the Authority has not had to call upon the IPs for this purpose.
98. The IPs are paid an annual remuneration of £912, set at 50% of the current Basic Allowance. No evidence was received to suggest that this methodology and ratio should be altered; 50% of the recommended Basic Allowance (£2,300) now equates to £1,150.
99. **It is recommended that the remuneration for the Independent Persons is reset at £1,150 for 2018/19.**

## **Maintaining Provision for Travel and Subsistence Allowances**

100. Until the end of 2003 Members had a statutory right to claim travel and subsistence allowances for undertaking approved duties. These approved duties and the maximum rates for claiming travel and subsistence allowances were set by the Secretary of State and in effect based on rates that were applicable nationally to Officers at the time. Just as importantly at the time the interpretation of the legislation meant that Members normal place of work was deemed to be their home and travel and subsistence was claimable for attending Authority and committee meetings and formal meetings with Officers, etc.
101. The Authority now has discretion to adopt a travel allowance scheme to recompense Members for travel in fulfilling their approved duties. Similarly, a subsistence allowance is also discretionary. In an era of enhanced Basic Allowances many principal councils, particularly the geographically smaller ones, do not provide for travel or subsistence allowances for Members undertaking approved duties within their district on the basis that the distances needed to travel are negligible and subsistence costs are minimal for which their Basic Allowance adequately compensates, see the Oldham Borough Council Members' Allowances Scheme for instance.
102. However, in relation to travel in particular, the distances Members and IPs are required to travel to attend approved duties within the Peak District NPA, and beyond in some cases, to undertake approved duties are not negligible. As such, a travel scheme should be in place to recompense their travel costs – costs they would otherwise not be incurring. It is a similar context for subsistence costs. As such, it is only equitable that a travel and subsistence scheme is maintained.
103. The other main argument for not keeping provision for travel and subsistence allowances in the Members' Allowances Scheme is that it would be in line with the principle of treating Members and Officers equally regarding terms and conditions and rates for such claims. Officers cannot claim mileage and subsistence for coming to work at Aldern House so why should Members?
104. On the face of it this is a potent argument. However, this apparent discrepancy in the treatment of Members and Officers in claiming travel and subsistence allowances has only arisen out the recent ruling by Her Majesty's Revenue and Customs (HMRC) that that now deems Members normal place of work to be the Authority's premises rather than their home. Historically Members home was their normal place of work thus like Officers could claim travel and subsistence when they had to work 'away'.
105. The main reason for this new interpretation is due to NPA Members not being included in recent clarifying regulations providing an exemption for Councillors when travelling between home and their 'workplace'. This appears to be a sin of omission rather than commission and it is hoped that in due course NPA Members will be treated similarly as is the case in Scotland.
106. Regardless, the case to keep provision for travel and subsistence allowances in the Members' Allowances Scheme can also be made on its' own merits –

Officers are legally employees and NPA Members are for legal purposes not employees so the apparent discrepancy in terms and conditions for which travel and subsistence allowance may be claimed by Officers and Members is negated by each group operating in different contexts.

107. **Therefore is recommended that the provision for travel and subsistence allowances is maintained within the Members' Allowances Scheme.**

### **Car Mileage Allowances**

108. Two issues were raised regarding the travel, primarily mileage, allowances. They can be summed up as:
- i. The approved duties for which mileage can be claimed
  - ii. The rates at which mileage can be claimed

### **The approved duties for which mileage and other travel can be claimed**

109. Albeit less than a majority, there was not insignificant representation expressing a sense of inequity in that not all duties that Members undertook are eligible for a mileage allowance. Examples quoted included attending parish council meetings that are outside a Member's designated geographical area of the NPA, where a Member feels it is important to attend meetings of the Authority's committees/panels although that Member is not on that committee/panel, stakeholder and other public meetings that Members felt it was important to attend particularly in capacity as a Member Representative.
110. It is acknowledged that Members do attend meetings that do not meet the current definition of approved duties as set out in Schedule 2 of the Members' Allowances scheme and as result they cannot claim a travel allowance. It is also acknowledged that the 2003 Regulations permit authorities to define approved duties as they see fit rather than approved duties being determined by the Secretary of State, which was the case until the end of 2003.
111. However, the current definition of approved duties is framed in such a way so that the mileage/travel allowance is not open-ended. To some extent the meetings quoted for which a Member is unable to claim travel allowances are self-generating in that they as individuals feel they should attend or simply wish to attend rather than being obliged to attend as a Member of a committee or formal representative of the Authority. To have a too broad a definition of approved duties would lead to self-generated travel allowances which would be difficult to defend publically.
112. It is noted that the definition of approved duties 1-9 in Schedule Two mirror the definition of approved duties when they were set out in statute as determined by the Secretary of State. Moreover, an additional 10 examples have been inserted into Schedule Two over the years that specify where, with the prior approval of the Director of Corporate Strategy and Development, a Member may claim travel and subsistence allowances. The common thread in additional items 1-10 is that a Member cannot decide to attend but has to be invited or attend as an official representative of the Authority, including

meetings of parish councils within the geographical area allocated to a Member. As such the definition of approved duties is already relatively broad, indeed much broader than those typically recommended by the statutory IRPs for the nominating councils – where more traditional definitions tend to be maintained.

113. **As such it is not being recommended that the definition of approved duties is broadened.**
114. However, some further clarification to Schedule Two would not go amiss so as to underline the principle that travel and mileage allowances should not be self-generated and only claimable when a Member is demonstrably required or invited to attend a meeting or event as a Peak District NPA representative.
115. **It is recommended that similar to the Officers Travel and Subsistence Scheme that a short introductory statement is inserted at the start of Schedule 2 of the Members' Allowances scheme that states**

**The general principle underlying the mileage and travel allowances is that Members shall only claim such allowances where they have been**

- **Appointed to an Authority Committee/panel/forum or to an outside body by the Authority**
- **Invited by an Officer or Chair or other appropriate Committee Chair to attend a meeting or event**
- **Generally in attendance as a formal representative of the Authority**

116. **It is also recommended that at the end of each item 1 and 4 (first section) of Schedule 2 that the following clarification is inserted:**
- **“ .... to which a Member has been appointed.”**

#### **The rates at which mileage can be claimed**

117. The issue in this regard was that the mileage rates were too low – 40p per mile – and do not reflect the true cost of travelling to approved duties and had remained at 40p per mile for at least the past 10 years.
118. This issue resolved itself during the course of the review. The general principle underpinning the mileage rates is that Members and Officers can claim the same rates. At the end of March it was agreed that the Officer Mileage rate would be raised from 40p to 45p per mile and from 1st April 2018 Member mileage rates were also raised to 45p per mile. Although no formal recommendation is required it is noted and confirmed that Member mileage rates are now in line with Officer mileage rates and set at 45p per mile.
119. There is however one omission from the mileage rates – they follow Officer and in turn HMRC Approved Mileage Allowance Payment (AMAP) rates except in one respect – there is no provision to claim a supplement for when a Member also takes a another Member who is attending the same approved duty. The HMRC AMAP 'Passenger Supplement rate' as it is known is

currently 5p per mile per passenger. This provision has been recommended by the majority of the statutory IRPs for the appointing councils to the Authority.

120. **Therefore it is recommended that a Passenger Supplement rate of 5p per mile per passenger up to a maximum of three passengers is added to the travel allowances. It should also specify that for a claim to be made under this provision any passenger must also meet the conditions of an approved duty.**

### **Subsistence Allowances**

121. The main issue arising regarding the Subsistence Allowances is that the maximum rates that can be claimed are too low and do not reflect actual costs of meals and bed and breakfast. It is acknowledged that this is indeed the case particularly the £55 maximum limit for Bed and Breakfast. This is to a large degree intentional so as to deter Members from making their own arrangements for subsistence and overnight accommodation without regard to cost and having the Authority foot the bill. The expectation is that wherever possible Members shall book bed and breakfast and meals when attending conferences, etc. through the DLST so that the Authority is authorising and monitoring Members subsistence costs. Where Members do ask for the DLST to arrange their subsistence the maximum Subsistence rates set out in the Members' Allowances scheme are not applicable. The maximum rates only apply where a Member has made their own arrangements and is seeking a reimbursement.
122. Moreover, the claimable subsistence rates that apply to Members are based on Officer Subsistence rates, so in that respect Members and Officers are treated equally. However, in the Officers Travel and Subsistence Scheme it makes clear in Section 5 that the presumption is to make arrangements for Subsistence, particularly overnight accommodation through Finance. The same section also provides for exceptions. There is no equivalent Section 5 in the Members' Allowances Scheme that clarifies the conditions and exceptions by which Subsistence is expected to be arranged.
123. **On the principle that it treats Members and Officers equally it is recommended that the current maximum Subsistence rates for which Members may claim reimbursement continue to be based on the same rates that apply to Officers and therefore unaltered at this juncture.**
124. **It is further recommended that the Members' Allowances scheme is clarified by setting out the expected process and conditions by which Subsistence for Members is arranged and it is made clear that when Members make arrangements for subsistence through DLST then the published maximum rates are not applicable. In particular, Section 5 (Subsistence) of the Officers Travel and Allowances Scheme should be suitably adapted to ensure it refers to Members and inserted into a new section on Subsistence in the Members' Allowances Scheme.**

### **Travel and Subsistence Allowances – subject to tax and national insurance**

125. As mentioned above in January 2018 HMRC advised all NPAs that any travel and subsistence allowances claimed by Members are subject to tax and national insurance. This is a relatively new development on the part of HMRC but it does not apply to principal councils. Local Authority Members can claim travel allowances at HMRC AMAP rates and those reimbursements are not subject to tax and national insurance through a statutory exemption. HMRC has determined that the relevant legislation that enables local government Councillors to claim travel and subsistence free of tax and national insurance liabilities does not apply to Members of NPAs. The terms of reference for the review ask that the implication of this ruling is considered.
126. The logic behind this particular item being included in the terms of reference was to consider whether there is a case for the current travel and subsistence rates to be increased to offset tax and national insurance costs that will be incurred by Members going forward so that the ruling by HMRC would be cost neutral to Members.
127. However, this approach is not being recommended – the general principle underlying the operative mileage and subsistence rates is that they are the same as the rates that apply to the Officer Travel and Subsistence Allowances. To break this link would differentiate between the two which could be seen as inequitable. Furthermore it could lead to Members effectively receiving different levels of reimbursements depending on their own personal tax and national insurance liabilities – where a Member had no other income they would be getting the higher rate paid to them and where a Member was in a higher tax bracket they would be getting less than for instance 45p per mile than is currently the case. Moreover, to attempt to rectify the situation through the Members Allowances scheme only endorses the decision taken by HMRC and the Authority would be paying to rectify a ‘bad’ decision made elsewhere. This is an issue that can only be addressed at the governmental level.

### **Issues arising – support for care of Members’ Dependants**

128. In the representations received a question was asked why there is no support for care of dependants’ while a Member was undertaking approved duties on behalf of the Authority. It was pointed out that the nominating councils have the right to make available a Dependants’ Carers’ Allowance (DCA) in such circumstances. Indeed almost all of the statutory IRPs of the nominating authorities have made recommendations to pay a DCA and their respective councils have a DCA in place. It was felt that it was only equitable for the Peak District NPA to have a similar allowance to assist with the care of Members’ dependants when they are carrying out approved duties. It was also noted that Members’ of Welsh NPAs could claim a DCA.
129. However, the relevant section of the 2003 Regulations that provides express powers for principal councils to pay a DCA has been specifically dis-applied for NPAs and other secondary authorities such as fire and transport authorities

and for some reason the Council of the Isles of Scilly, which is a unitary authority.

130. As such, however inequitable it may appear the Authority cannot pay a DCA so no recommendation is being made in this regard.

### **Indexing Allowances**

131. The 2003 Regulations permit authorities, including NPAs, to apply a cost of living uplift to their allowances by reference to an appropriate index. In principal councils such up lifts to a Members' Allowances Scheme through indexation are not deemed to be a change or amendment and therefore can be applied automatically without reference to their statutory IRP. However, any applicable index can only run for four years, if a council wishes to continue indexation after four years it must first seek fresh authority from their statutory IRP, this is known as the 'four year rule.' It is the mechanism by which allowances at principal councils are periodically reviewed by their IRP. In the case of NPAs a similar four year rule applies to the application of any indexation but rather than seek authority from a statutory IRP the Authority has to formally consider extending indexation after paying regard to the recommendations of the IRPs for their nominating councils.
132. There was a perception amongst some Authority Members that the Basic Allowance and SRAs are not indexed and have remained static for the past ten years. This is not the case, the Basic Allowance and SRAs are indexed to the same percentage increase in Officers salary as agreed each year by the National Joint Council for Local Government Staff, often referred to as the 'NJC' index. The confusion may have arisen as for a period of three years ending in 2015 Officers received no annual cost of living increase in their salaries. Consequently, the index applicable to the BA and SRAs was zero per cent. But that has not been the case since April 2015 and the Basic Allowance and SRAs have been increased each year by the same percentage uplift Officers' salaries, with the index for 2017/18 being 1%.
133. There was general support in the representation received to apply an index to Members' Allowances and that it should continue to be the NJC index for the Basic Allowance and SRAs. This is the most commonly recommended index by the statutory IRPs for the nominating authorities. Similarly relevant indices should be applicable to other allowances.
134. It is pointed out that if there is no provision in the allowances scheme to index allowances then the Authority is not able to apply an automatic annual cost of living increase without formally considering the issue; and only then only after having paid regard to the latest recommendations of the statutory IRPs for the nominating councils. However, if the Authority does adopt indices it is under no obligation to apply them each year. The Authority retains the right not to apply an index to their allowances even though the provision is in place. But it cannot apply an automatic cost of living increase if there is no provision for indexation in place.

135. **It is recommended that the Peak District NPA Members Allowances are indexed as follows:**
- **Basic Allowance, SRAs, Co-optees' Allowance and Independent Persons annual remuneration:**
    - Indexed to the annual percentage salary increase for local government staff (at spinal column 49 or the equivalent level if the spinal column points are revised), to be applied from the same year that applies to staff
  - **Travel Allowances including Mileage Rates, and Subsistence Allowances:**
    - Indexed to the same rate that is applicable to Officers, except the Passenger Supplement Mileage rate – it is not being recommended that this allowance is indexed
136. **It is further recommended that the applicable indices should run the maximum length permitted by the 2003 Regulations, namely four years from date of the first application of the relevant indices to the Basic Allowances and SRAs on 1<sup>st</sup> April 2019 to the end of the financial year 2023.** The Authority should make arrangements to refresh authority to extend indices for a further four years before that date; this will also provide an opportunity to carry out a health check of the whole scheme

### **Implementation of Recommendations**

137. **It is recommended that the recommendations contained in this report are implemented from the date of the Authority's Annual Meeting on 6<sup>th</sup> July 2018.**

## APPENDIX 1: Information Considered

1. Terms of Reference for Review as set out in decision of Authority 17 December 2017
2. List of Peak District NPA Membership September 2017
3. Peak District NPA Members' Allowances Scheme 2018/19
4. Peak District NPA Annual Statutory Publication of Members' Allowances & Expenses Received 2016/17
5. Peak District NPA Independent Remuneration Panel Report, Review of Members' Allowances, July 2004
6. Peak District NPA Standing Orders Part 4 – delegation to committees, sub-committees and advisory groups, including their terms of reference, July 2017
7. Peak District NPA Programme of Meetings, 2017 & 2018
8. Member Responsibilities – Authority, Committee Chairs & Member Representatives
9. Role Description, Member, Peak District NPA
10. Role Description, Chairs of NPA's, Peak District NPA
11. Role Description & Selection Criteria, Independent Person, Peak District NPA
12. Member Representative Generic Role, including 11 remits and Member appointed to role, Peak District NPA
13. Department for Environment, Food & Rural Affairs, "Appointment of Secretary of State Members to National Park Authorities and Area of Outstanding Natural Beauty (AONB) Conservation Boards – Briefing pack for applicants" March 2018
14. Department for Environment, Food & Rural Affairs, "8-Point Plan for England's National Parks", March 2016
15. Benchmarking against all other English NPAs – March 2018 – see appendix three for further details
16. Annual Survey of Hours & Earnings (ASHE). Median earnings for all full time employees in the East Midlands, provisional results 26 October 2017, Table 7.6a (work geography), ONS
17. Latest IRP Reports from the 11 constituent authorities of the Peak District NPA

18. Replies to questionnaire set out to all Members
19. SI 2003 No. 1021, *The Local Authorities (Members' Allowances) (England) Regulations 2003*, 7 April 2003
20. DCLG and HMRC: *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, May 2006
21. SI 2016 No. 350, *The Income Tax (Travel Expenses of Members of Local Authorities, etc.) Regulations 2016*, 6<sup>th</sup> April 2016
22. National Joint Council for Local Government Services, 2018 and 2019 Payscales and Allowances setting out annual percentage uprating for each year, 10 April 2018

## APPENDIX 2:

### Members and Officers who met with the Reviewer

#### Members:

Mr Paul Ancell:	Chair of Planning Committee (National Member – Secretary of State Appointee)
Cllr Doug Birkenshaw:	Vice-Chair of Planning Committee (Barnsley Metropolitan Council Appointee)
Cllr Patrick Brady:	Member Representative for Communities (Parish Member - Secretary of State Appointee)
Cllr Chris Furness:	Member Representative for Rural Economy (Derbyshire Dales District Council Appointee)
Mr Zahid Hamid:	Member Representative for Connecting Young People with Nature (National Member – Secretary of State Appointee)
Cllr Andrew McCloy:	Chair of Audit Resources & Performance Committee (Parish Member - Secretary of State Appointee)
Cllr Kath Potter:	(Parish Member - Secretary of State Appointee)
Cllr Lesley Roberts:	Chair of Peak District NPA (Parish Member - Secretary of State Appointee)

#### Members Written Submissions:

Seven written submissions from Peak District NPA Members were received

#### Officers:

Sarah Fowler:	Chief Executive
David Hickman:	Director of Corporate Strategy & Development <sup>16</sup>
Simon Malcolm:	Director of Commercial Development & Outreach <sup>17</sup>
Andrea McCaskie:	Head of Law & Monitoring Officer
Philip Naylor:	Head of Finance & Chief Finance Officer
John Scott:	Director of Conservation & Planning

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<sup>16</sup> Interview conducted via telephone

<sup>17</sup> Interview conducted via telephone

Jason Spencer: Democratic Services Manager

### APPENDIX THREE: Summary of Allowances Payable in English NPA's/Broads Authority

PDNPA BM1 English NPAs Basic Allowances & Main SRAs March 2018										
Comparator NPA	Basic Allowance	Chair's SRA	Chair's total (BA+SRA)	Deputy Chair	Chair Planning	V/Chair Planning	Members Planning	Chair Audit Resources & Performance (inc other)	V/Chair Audit	Costs inclusive of BA
The Broads	£1,046	£3,925	£4,971	£1,963	£1,963	£523	£523	£523		PC & private tel & postage
Dartmoor	£1,644	£4,902	£6,546	£1,644	£1,644	£822		£1,644	£822	Private tel + postage
Exmoor	£2,633	£5,266	£7,899	£3,950	£3,950					Use of home
Lake District	£3,000	£6,000	£9,000	£4,500						plus £20 p/m ICT Allowance
New Forest	£1,884	£3,768	£5,652	£1,884	£1,884	£942		£1,884	£942	Use of home
Northumberland	£1,734	£5,202	£6,936	£1,734	£867					Private tel + postage
N. Yorks Moors	£2,256	£4,511	£6,767	£1,692	£2,256			£744		Private tel + postage
South Downs	£2,950	£5,901	£8,851	£4,472	£3,541	£707		£1,770	£354	NA
Yorkshire Dales	£3,058	£6,116	£9,174	£1,529	£2,293	£1,224				IT consumables, private tel + post
Peak District	£1,825	£5,475	£7,300	£2,737	£2,737	£1,825		£1,825	£912	inc £30 4 printing
<b>Mean</b>	<b>£2,203</b>	<b>£5,107</b>	<b>£7,310</b>	<b>£2,611</b>	<b>£2,348</b>	<b>£1,007</b>		<b>£1,398</b>	<b>£758</b>	
<b>Median</b>	<b>£2,070</b>	<b>£5,234</b>	<b>£7,046</b>	<b>£1,924</b>	<b>£2,256</b>	<b>£882</b>		<b>£1,707</b>	<b>£867</b>	
<b>High</b>	<b>£3,058</b>	<b>£6,116</b>	<b>£9,174</b>	<b>£4,500</b>	<b>£3,950</b>	<b>£1,825</b>		<b>£1,884</b>	<b>£942</b>	
<b>Low</b>	<b>£1,046</b>	<b>£3,768</b>	<b>£4,971</b>	<b>£1,529</b>	<b>£867</b>	<b>£523</b>		<b>£523</b>	<b>£354</b>	
<b>Mean BA Ratio</b>	<b>100%</b>	<b>232%</b>	<b>332%</b>	51%	46%	43%		27%	54%	
<b>Percentage ratio of NPA Chair's SRA</b>				Of NPA Chair's SRA	Of NPA Chair's SRA	of Planning Chair's SRA		Of NPA Chair's SRA	of Audit Chair's SRA	

Comparator NPA	Chair Navigation	V/Chair Navigation	Lead Members	Chair Standards	Chair Standards Hearings	Chairs Working Panels	Chair Consultative Forum	Chair Authority Review	Co-optees' Allowance
<b>The Broads</b>	£1,963	£523	£523						£349
<b>Dartmoor</b>					£322	£822	£1,367		£192
<b>Exmoor</b>				£658					Not paid
<b>Lake District</b>									Not paid
<b>New Forest</b>				£471					
<b>Northumberland</b>								£867	£306
<b>N. Yorks Moors</b>									
<b>South Downs</b>									
<b>Yorkshire Dales</b>									
<b>Peak District</b>									£608
<b>Mean</b>									£364
<b>Median</b>									£328
<b>High</b>									£608
<b>Low</b>									£192