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## **Governance Committee: Independent Remuneration Panel Review of Member Allowances**

### **Background and Context**

- 1** Members of local authorities have been able to receive certain allowances and expenses for many years, as a way of acknowledging the time and responsibility they invest in serving as members.
- 2** The Member Allowances Regulations 2003 requires all local authorities to have a Members' Allowance Scheme published as part of their Constitution. It also established that authorities must establish Independent Remuneration Panels (IRPs) which should review schemes from time to time and make recommendations to the local authority about its scheme. An IRP must consider the scheme around every four years.
- 3** A new Members' Allowances Scheme came into effect in May 2017, based on a Scheme recommended by the IRP to Council in December 2016. The Council asked the IRP to review the Scheme after about a year of operation.

### **Proposal**

- 4** The IRP have prepared the report **set out at Appendix 1** that sets out its recent review of the Scheme following about a year of its operation. This includes details of consultation undertaken with a range of elected members.
- 5** In summary, the IRP recommends amending the Carer's Allowance to more explicitly highlight that it can be used to claim for childcare costs or the care of dependant adults and recommends setting separate hourly rates and annual limits, based on the differing costs of these types of care. It also recommends a small amendment to the travel expenses scheme, to allow members to claim travel expenses for observing a committee meeting for development purposes.

### **Resources**

- 6** If the IRP's recommendations are agreed by Council, it is expected that any additional claims for carer's allowance and for travel expenses can be met from within the current Members' Allowances Budget.

### **Factors taken into account**

### **Consultation**

- 7** The IRP interviewed a range of elected members and also undertook a member survey which all 70 members were able to respond to. It has consulted the County Chairman and group leaders, who were supportive in principle of the IRP's draft report.

### **Risk Management Implications**

- 8** The County Council is obliged to consider the recommendations of the IRP, which gives assurance that the Members' Allowances Scheme is fit for purpose. The independent nature of the IRP mitigates against any reputational risk.

### **Recommended**

That the Independent Remuneration Panel's report and recommendations be approved.

### **Lionel Barnard**

Chairman of the Governance Committee

**Contact:** Charles Gauntlett 033022 22524

### **Background Papers**

None

## **Report of the Independent Remuneration Panel's Review of the Member allowances and expenses scheme 2018**

1. In December 2016, the Council voted to implement a new Scheme of Allowances and Expenses, which took force from the time of the Council elections in May 2017.
2. In 2016, the Governance Committee asked the Independent Remuneration Panel (IRP) to conduct a brief review of the new Scheme once it had been in operation for a year or so, to check whether it was operating in the way intended.
3. The Independent Remuneration Panel has carried out such a review during the period February to May 2018. During this review, the Panel has:
  - a. Received information from Officers on the administration of the new Scheme
  - b. Met with 14 Members to hear first-hand their views on the allowances and expenses and received three written submissions as well. These Members comprised: the Leader and the two minority group leaders; the Chairman and Vice-Chairman of Council; three Cabinet Members; three committee chairmen; a Senior Advisor and an Advisor; and two backbench Members
  - c. Received 29 responses to questions set in the recent Members' survey.
4. The Panel is grateful to all those who took the time to contribute to the review. All of their input has been considered as a part of the Panel's thinking.
5. The overwhelming consensus from all input received is that the Scheme is considered to be fair and appropriate, and to be administered well. 69% of responders agreed or strongly agreed that the Scheme strikes the right balance between public service and the reality of carrying out the role. Neither the Panel, nor relevant Officers, nor senior Council Members have received any substantive complaints about the scheme since it was implemented in May 2017.
6. A couple of respondents suggested that the Special Responsibility Allowances for Committee Chairmen should vary depending on which committee is involved. The Panel had considered this question carefully in 2016, and has re-visited it in this review. The Panel does not recommend implementing such a differentiated allowance for Chairmen: this is because the Panel's approach has been to evaluate responsibility and accountability, which is broadly comparable for chairmen of non-executive committees and select committees. The amount of time spent can vary enormously from individual to individual due to different ways of working, so the Panel does not believe that any differential should be applied.
7. One respondent pointed out that Members travelling to Chichester from the far north-east of the Council area for two consecutive days would save considerable journey time and possibly save money if they were able to stay overnight in Chichester. The Panel is sympathetic to this suggestion, and notes that this is not ruled out by the Scheme. Any Member who believes that this would help them in their duties and would result in an equal or lower cost to the Council, should approach the Director of Law and Assurance.

8. Some aspects of a more substantive nature were raised by a few respondents:
- a. Revision of the carer’s allowance, and improved publicity associated with this
  - b. Whether the scheme can help encourage increased diversity of Council membership
  - c. Whether the scheme of expenses could be used to encourage more and better use of technology and distributed offices in order to reduce travelling time and cost
9. Having considered the input received, the Panel recommends that the present carer’s allowance is replaced with two categories of allowance as follows:
- a. Childcare Support – an annual maximum of £3,500 based on actual claims, paid up to a maximum hourly rate of £8.75 (which should be linked to the “real” living wage) on the production of a receipt or other evidence of actual spend
  - b. Dependant Carers’ Support – an annual maximum of £7,400 based on actual claims, paid up to a maximum hourly rate of £18.49 (which is linked to the County Council’s maximum usual hourly payment to home support carer workers for weekday daytime care) on the production of a receipt or other evidence of actual spend.
10. There should be discretion for a higher amount to be claimable in cases where a member is caring for someone with particularly complex needs.
11. The present exclusion of payments to family members should be retained. The maximum amounts should be indexed to CPI, in line with subsistence claims. The hourly rates should be reviewed annually and uplifted if the figures they are based on increase.
12. The Panel considered a request from group leaders to allow members to be able to claim travel expenses for observing committee meetings as a development opportunity. The Panel was minded to amend travel expense scheme item 9 to allow this at a group leader’s discretion:

<b>Included in the travel expenses scheme</b>	<b>Excluded from the travel expenses scheme</b>
Attending internal training sessions and seminars and, when approved by an appropriate Cabinet Member, committee or group leader, external courses and conference <b><i>and observing internal meetings for development purposes</i></b>	Attending external courses or conferences without the prior approval of the appropriate Cabinet Member, Committee or Group Leader.

13. A number of respondents mentioned their desire to see more younger, working-age members; a desire which the Panel supports. Following consideration of the limitations imposed by legislation, the Panel has concluded that it is not

able to recommend any relevant changes to the scheme of allowances. The Panel would, though, urge the Council to:

- a. Publicise more strongly how the scheme of allowances and expenses can help people thinking of standing for election (for example the childcare and dependent allowances)
- b. Consider encouraging employers to support any members of staff who are elected, and encouraging them to advertise this support as part of their corporate "community" and "giving back" actions

14. Governance Committee needs to be aware that significant numbers of free text responses indicated that allowances are too low to allow some potential candidates to afford to become councillors – e.g. those who are in employment and would lose income if they became councillors. The IRP, however, is not able or minded to solve this – and certainly not by a wholesale increase in allowances. The IRP urges the Council to take this issue forward with Central Government, as the IRP believes that only national Governmental action may address this.

15. The Panel is aware that the Council will soon be refreshing its IT provision. Alongside the rollout, the Panel urges the Council to provide targeted information and training to members as to how to make effective use of digital, audio and video technology to avoid the time and cost of travel.

**West Sussex Independent Remuneration Panel**

Dr Neil Beer

Mr Steve Cooper

Mr John Donaldson

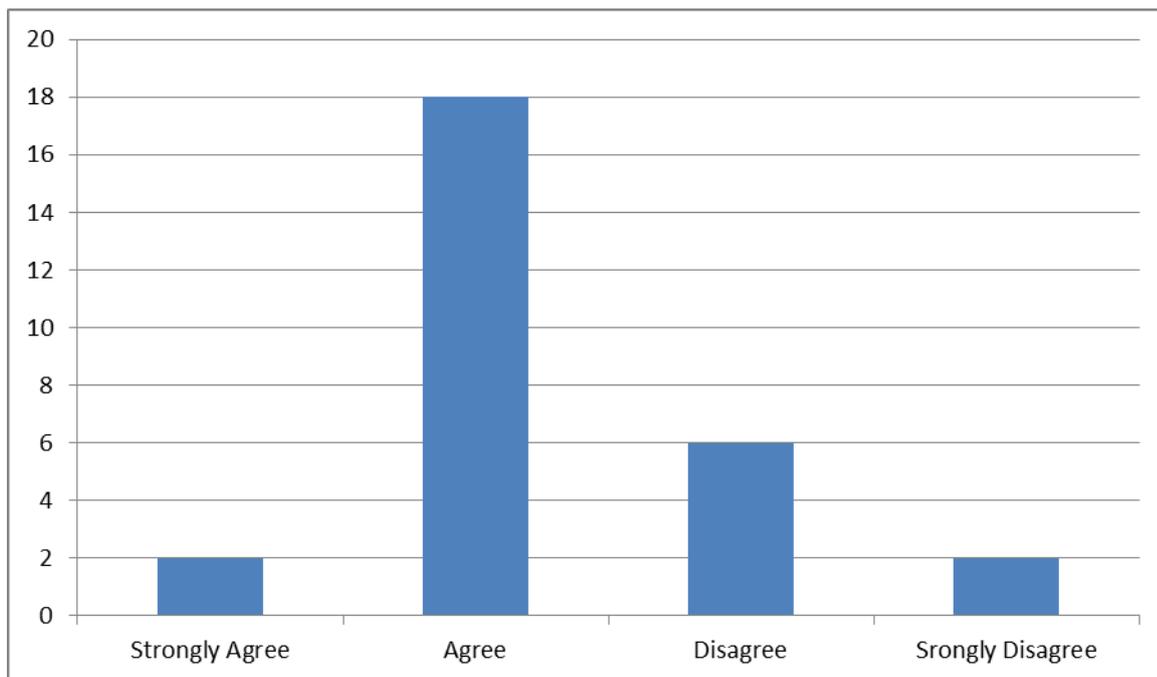
Mrs Charlotte Pexton

Mr Kevin Scutt

### Appendix to IRP Report – Survey Analysis

The annual members' survey was completed by 29 of the 70 members of the County Council. Three questions were asked on behalf of the IRP.

**Q.1 To what extent do you agree or disagree with the following statement: The Member Allowance Scheme strikes the right balance between public service and the reality of carrying out the role.'**



Of the 29 responses received, 20 members agreed or strongly agreed that the right balance is struck. One member did not give an answer to this question.

**Q2: What suggestions do you have about how the Member Allowance Scheme could support greater diversity (age, gender, ethnicity etc.) in elected members?**

- 19 members responded to this question, of whom six did not believe that seeking greater diversity should be a consideration for the Scheme.
- Eight comments highlighted the problem that the current allowances are not seen to provide sufficient alternative to a career for people of working age. Some commented that the timing and location of meetings could be a factor that discouraged some potential candidates at present.
- Several members felt that the carer's allowance could be improved to be able to better cover childcare costs.
- Some members felt that the allowance should be higher to reflect the increasing workload
- One suggestion was made that 'be a councillor' information should be more widely advertised.

**Q 3: Are there any changes you would like to see introduced to the members allowance scheme?**

- Around half of respondents stated 'no' or made no comment.

- Other respondents highlighted that a salary, pension provision or higher general levels of allowance would be helpful in encouraging people to put themselves forward for serving as a councillor.
- Better childcare support was mentioned by several members.
- The need to ensure that members are aware of the provisions of the current scheme was emphasised, in particular where members need a prior approval before being able to attend an external event if travel expenses are to be claimed.
- A few members had comments about how appropriate certain SRAs were, but no clear pattern emerged to suggest that there was a widespread view that any were not appropriate.

Charles Gauntlett  
Senior Advisor – Council and Member Support  
17 May 2018