

# **The Third Independent Review of**

## **Members' Allowances**

**For the**

**South Downs  
National Park Authority**

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The Third Report

By

**Dr Declan Hall**

March 2015

## Introduction

1. This is the third report arising out of the third independent review of Members' Allowances for the South Downs National Park Authority (South Downs NPA) that I have carried out. The review was commissioned in February 2015 to make recommendations to the South Downs NPA on the range and levels of remuneration for the Members of the Authority now it has been operational for four years. While the South Downs NPA is not required to commission an independent review of allowances, it has done so to conform to good practice followed by similar public bodies (including a number of NPAs) when determining their allowances.
2. The first review (June 2010) arose out of the need for the Authority to establish a members' allowances within three months of the establishment of South Downs NPA as a shadow authority, which was on 1 April 2010. The second review carried out in November 2011 was undertaken in light of the Authority going operational to test whether the original scheme of allowances was still fit for purpose in light of experience.

## The Regulatory Context and Paying Regard to Nominating Districts

3. The relevant enabling legislation enabling the South Downs NPA to establish a Members' Allowances scheme is Schedule 7, paragraph 5 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.
4. In addition, the *Local Authorities (Members' Allowance) (England) Regulations 2003*<sup>1</sup> and subsequent amendments and the 2003 Statutory Guidance, issued by the Department of Communities and Local Government (DCLG), set the legislative framework for all local authorities when determining and amending their Members' Allowances schemes. Most of the 2006 Regulations, notably Parts 1, 2, and 3 of the 2003 Regulations, are applicable to all English NPAs.
5. The main aspects of the 2003 Regulations that apply to the South Downs NPA permit the Authority to determine most aspects of its own scheme of allowances. Moreover, all national park authorities which make or amends an 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>2</sup>

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<sup>1</sup> See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

<sup>2</sup> Statutory Instrument 2003 No. 1021, *The Local Authorities (Members' Allowances) (England) Regulations 2003*, 19. (2)

6. In other words, while there is no statutory requirement to for the South Downs NPA to have its own independent remuneration panel or review before setting or amending its Members' Allowances scheme as it can be reviewed internally. Regardless, it is required to pay regard to the recommendations of the independent remuneration panels (IRPs) in the nominating authorities. These are Hampshire, East and West Sussex County Councils, Brighton and Hove City Council, and Adur, Arun, Chichester, East Hampshire, Eastbourne, Horsham, Lewes, Mid-Sussex, Wealden, Winchester (City), and Worthing District Councils.
7. As part of the review, the most recent IRP reports from all the nominating authorities have been taken into account to fulfil the statutory requirements of the 2003 Regulations as they apply to the South Downs NPA. Furthermore, the review has also paid regard to allowances payable and comparative practice in the nominating and other relevant authorities, insofar as the most recent information can be readily obtained.
8. **The reviewer has fulfilled the regulatory requirement to pay regard to the recommendations of the IRPs in the nominating authorities of the South Downs NPA in arriving at the recommendations contained in this report.**

## The Reviewer

9. The South Downs NPA appointed Dr Declan Hall to undertake the review of its allowances scheme. Dr Hall is a former academic at the Institute of Local Government, the University of Birmingham, who specialises in Members' allowances and support.
10. The review was supported and serviced throughout by the following Officer:
  - Robin Parr, Governance & Support Services Manager
11. The reviewer would like to record his gratitude to the Members and Officers of South Downs National Park Authority for ensuring the work of the review was adequately supported and conducted in an efficient and effective fashion by facilitating its requests for information and ensuring that the whole process operated smoothly.

## Terms of Reference

12. The terms are to undertake an independent review of the South Downs National Park Authority's Scheme for Members' Allowances.

### Scope

The review will:

- Draw on the existing scheme of allowances report;
- Refer to allowances schemes in the nominating councils;

- Refer to allowances schemes in for other National Parks (England);
- Review the current scheme to assess whether it is still fit for purpose;
- Identify, in the light of actual experience, any areas or anomalies which require changes to the scheme; and
- Take account of the views of Members and senior officers.

### **Aim**

The aim is to establish a scheme which will need only limited revisions, if any, over the next four years.

## **Approach and Methodology**

13. The reviewer visited the South Downs Centre, Midhurst, West Sussex, on 24<sup>th</sup> February 2015 to meet with Members and relevant Officers and to review all the relevant information for consideration in arriving at recommendations. All Members of the South Downs NPA were emailed informing them of the terms of reference, including an aide memoir, and invited to submit any views they may have on the review to Dr Hall, if they so wished. All Members and Officers who met with Dr Hall, including any written submissions, are listed in appendix 1.
14. A tiered approach was adopted in considering the evidence. The review is required to operate within the broad statutory framework laid down by the statutory guidance and regulations. The 2003 Members' Allowances (England) Regulations establishes 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 a Co-optees' Allowance.
15. The next level of evidence considered were the representations made by the Members and Officers of the Authority. The interviews and written submissions obtained the views of the Members and Officers and raised a number of specific concerns. The interviews were also utilised to challenge statements and to act as a 'sounding board' to suggestions and ideas from the reviewer. Finally, all the evidence and representations have been reviewed and evaluated within the comparative context. All the information, including comparative summary data, considered for this review is listed in appendices 2-4.

## **Key Messages and Observations**

### **Moving from setting up to delivery stage**

16. The Authority has moved beyond the setting up stage and is now in full delivery mode. If anything the view was the workload required of Members has increased and the estimation of 26 remunerated days per year expected of all Members of the Authority is now the low the side. While this is discussed

below in more detail it is noted here that the South Downs NPA is the 8th largest planning authority in England and the largest NPA in terms of population and as such, the demands on Members will always be of a high order. It is the nature of the South Downs NPA.

17. Moreover, the Authority undertook an internal governance review in 2013 as part of the transition from being set up to becoming fully operational. It led to a reconfiguration of committees as follows:
  - Resources & Performance: now the Policy & Programme Committee
  - Audit: now the Governance Committee
  - Planning: remains the Planning Committee
18. The reconfiguration of committees has meant that there has been some changes in remit and workloads (discussed below) but it is noted here that the governance changes are geared to taking the Authority from an internal i.e., setting up phase, to a more external, i.e., delivery phase.
19. While there are some exceptions regarding specific posts in the main the changes arising out of governance review have not been so significant as to merit a fundamental re-orientation of allowances.

### **The Comparative Context**

20. The review of the comparative data shows that there has been limited change in allowances in other English NPAs<sup>3</sup>. Similarly, there has been very marginal changes in the allowances paid to Members in the nominating councils. In paying regard to the allowances schemes in the nominating councils and English NPAs it reinforces the conclusion that there is a limited case to undertake wholesale reform of the South Downs NPA Members' Allowances scheme.

### **The Economic Context**

21. A strong theme that emerged from the interviews and written submissions in the previous reviews was that Members should not be and not be seen to be seeking financial gain by serving on the South Downs NPA. An element of their work on the Authority should be given as public service and the level of allowances paid should reflect this by not being deemed excessive. 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 recruitment and retention of

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<sup>3</sup> Historically for benchmarking purposes Welsh NPAs have been included but allowances in Welsh NPAs are now governed by a different framework and consequently they no longer included.

Members by recognising the demands required of them balanced against being seen as reasonable and being an enabler for public service.

22. For this review the stronger message was that economic context, namely one of financial austerity in the public sector, was more important. The representations received emphasised that as far as possible there should be no increases in current total spend on Members' Allowances in South Downs NPA, or if there was to be an increase it should be strongly evidenced and be kept to a minimum where possible.

### **Level of allowances payable**

23. Leading on from the need to bear in mind the economic context another theme from the representation received was that they are not a recompense for duties in normal sense of word. The allowances payable to South Downs NPA Members do not reflect 'market rates'. Rather they are recognition that there is a significant time commitment expected from all Members with leading Members undertaking significant responsibilities and without allowances local government service, including on NPAs, would be predominantly the preserve of the retired or those otherwise free from the burden of earning a daily living.

### **Scheme fit for purpose**

24. Finally, the representations received and evidence reviewed indicated that the allowances scheme remains broadly fit for purpose and that the purpose of this review is to address any glaring anomalies bearing in mind the economic context.

## **The Evidence Considered and Recommendations**

### **The Basic Allowance**

25. The Basic Allowance was arrived at by following the typical approach taken by IRPs in principal councils, as directed in the 2003 Statutory Guidance (also applicable to NPAs - paragraphs 67-69). This approach uses three variables in arriving at the Basic Allowance, namely:
  - **Input:** the time required to undertake the various roles associated with the Basic Allowance, which has been deemed to be a minimum of 26 days per year.
  - **Recognising the voluntary principle:** often expressed as the public service discount (PSD), that element of input or workload that is given as public service and therefore not remunerated. For the purposes of the South Downs NPA the public service discount was deemed to be that time put in on Basic Allowance-associated roles over 26 days per year.

- **A rate for remuneration:** the worth of remunerated time required for the roles associated with the Basic Allowance, which historically is based on the median gross daily salary for all full time employees resident in the South East, which for 2009 (the latest date available during the first review) was £110 per day.
26. Consequently, the original Basic Allowance was arrived at by multiplying 26 days remunerated input by £110 per day, which equals £2,860, the current Basic Allowance.

### Recalibrating the Basic Allowance

27. There was a view that Members are required to put in more than 26 days per year; indeed the advice issued by the Authority is that Members are expected to commit to a minimum of 2-3 days per month.
28. Under the new governance arrangements there are more meetings for Members to attend. All Members are expected to attend full Authority meetings 6 times per year, including relevant workshops that are now held before full Authority meetings. They are now also appointed to one of the 3 standing committees, which formally meet from 12 to 5 times per year.
29. The Authority has produced a "Member Role Description and Person Specification" that backs up the view that the demands on Members time is not recognised within the current 26 remunerated days. Members are appointed to relevant outside bodies (typically those that are located in a council appointees' council area.) as part of their wider duty to engage with relevant stakeholders. There is a further expectation to undertake Area Tours and development opportunities at least 4 times per year. The Authority regularly receives requests for Members to give talks to partners and organisations on the South Downs National Park in general to provide updates on what the Authority is doing.
30. Outside the formal meetings and partner engagement and stakeholder meetings Members are also expected to read their relevant briefing papers provided for meetings in order to be properly prepared for any debate on issues across the full range of the Authority's responsibilities, and where required, to take personal responsibility for seeking appropriate clarification from Lead Officers. This requirement is expected to enable all Members to represent and be an advocate for the Authority at national and local events and enable them to fulfil the Authority's general duty to foster the economic and social well being of communities in the Park in the pursuit of its statutory purposes.
31. This brief synopsis of the formal and informal duties expected from all Authority Members can readily be seen to be beyond 26 days per year to the point where the unremunerated time, i.e., that put in over 26 days per year

can be close to the same again, particularly for members on the planning committee.<sup>4</sup> However, the time commitment expected from Members are not uniform; it will vary depending on what Authority committee and outside bodies a Member is appointed to and what are issues of concern at the time. Assuming at average extra commitment of 12 days per year, which is at the top of the range of 24-36 days per year that the Authority advises, this leaves on average 1/3 of a Members' time to be given as public service. This is in line with what is expected in principal councils as the proportion of time to be given as public service. Thus, for the purposes of recalibrating the Basic Allowance 26 days has been retained as the appropriate remunerated time.

32. The rate for remuneration, the gross median daily salary for all full time employees resident in the South East (2014) is £115<sup>5</sup>, higher than the 2009 figure (£110).
33. By recalibrating the Basic Allowance (26 remunerated days per year multiplied by £115 per day), it equates to £2,990 compared to the current Basic Allowance of £2,860. The loss in value of the Basic Allowance is only to be expected - the Basic Allowance has been frozen since 2010. Moreover, the Authority chose not to adopt any indexation, which if the staff cost of living index (1% each year since the full Authority was established in 2011) would be £2,976 - thus maintaining its value (bar a few pounds so as not to make any difference) relative to the recalibrated BA. However, the decision not to apply an index since 2011 is a policy decision on the part of the Authority and in itself not sufficient grounds to recommend the recalibrated BA.

### **Benchmarking the Basic Allowance – English NPAs**

34. Benchmarking against the English NPAs shows the current Basic Allowance (£2,860) for South Downs NPA is above the average (£2,157). A higher than average Basic Allowance in the South Downs NPA is not a cause for concern - it remains the fact that as the largest NPA and the 8th largest planning authority in the UK and with Members required to sit on one of the 3 standing committees a higher than average Basic Allowance is appropriate. It places the South Downs NPA within a cluster of NPAs that pay a above average Basic Allowance, namely Exmoor (£2,581), the Lake District (£3,000) and the Yorkshire Dales (£2,998).
35. Moreover, the NPA that pays the lowest Basic Allowance (the Broads at £1,046) also pays more SRAs. In particular, it also remunerates its Planning and Lead Members at £523. This makes the Broads low Basic Allowance somewhat misleading for comparative purposes as the majority of the Broads Members are paid an SRA.

- Mean BA English NPAs (14/15): £2,157

<sup>4</sup> Members on the Planning Committee are dealt with in more details below. Whether all Members do put in the expected time commitment is another matter but is not within the terms of reference for this review.

<sup>5</sup> Annual Survey of Hourly Earnings, Median Annual pay – Gross (£) – for all time employees in the United Kingdom 2014 Table 8.7a, = £29,903 per year for residents in South East, (Office of National Statistics)

- BA South Downs NPA (14/15): £2,860
36. Benchmarking also shows that there has been very little movement in allowances across all the English NPAs, so South Downs NPA is not alone in having its allowances frozen for the last 4 years and even those NPAs that have increased their allowances have only done so in the last year or so through the application of an index, meaning the increase has only been very marginal.
37. Nonetheless, benchmarking against English NPAs shows that a static or close to static Basic Allowance (and SRAs) is not just a South Downs NPA phenomenon. Moreover, the case to recommend the recalibrated Basic Allowance is not compelling as it has not fallen behind peer authorities since the 2nd review in 2011.

### **Paying Regard to the nominating councils**

38. As in the previous review, representation was received that argued a more relevant benchmark is the Basic Allowances paid in the nominating district councils. It is recognised that being an ordinary Member on a NPA and district council are not necessarily similar. Members of district councils typically have a larger expected time commitment, and pay a higher BA, reflecting broader remits and responsibilities. The point for benchmarking purposes is that allowances across the nominating councils have in the main also been frozen or if not then subject to indexation only and it is appropriate for the South Downs NPA to behave similarly regarding its allowances.
39. It was also felt that the South Downs NPA Basic Allowance should not be on a par with the Basic Allowance paid in the nominating district councils. The nominating country and unitary councils pay allowances of such a different order that they have been disregarded for comparative purposes but Brighton & Hove, and East and West Sussex have only applied the typical 1.1% index (last year only) since 2011 except in Hampshire where the Basic Allowance has been frozen in the intervening period.
40. The mean Basic Allowance paid in the nominating district councils for 2014/15 is £4,285, with the median being £4,500 and across the south east the mean is £4,612. This consistently higher average was generally accepted as being appropriate. Yet, there was a further that the South Downs NPA Basic Allowance should be no more than the lowest Basic Allowance payable in the 11 nominating district councils. The South Downs NPA Basic Allowance is higher than in one of the nominating district councils namely Eastbourne Borough Council which pays a Basic Allowance of £2,808 - which says more about the remuneration of Councillors in Eastbourne rather than indicating an unreasonably high South Downs NPA Basic Allowance. An impression further confirmed by the fact that the Leader in Eastbourne receives an SRA of £4,212. If the recalibrated Basic Allowance was to be recommended it would be just below the next lowest Basic Allowance payable, which is Lewes

(£3,005) which is harder to justify. Nonetheless, the benchmarking shows that the current South Downs NPA Basic Allowance (£2,860) is below that paid in all the nominating districts councils except Eastbourne, this and the general lack of movement in their Basic Allowances payable suggests that the South Downs NPA Basic Allowance is not in evident need to be recalibrated or increased in any other way at this juncture.

### The Recommended Basic Allowance

41. **Consequently, it is recommended that the current Basic Allowance of £2,860 remains unaltered, subject to any index the Authority may decide to apply in the future - for a maximum of 4 years.**

### Special Responsibility Allowances – The SRA for South Downs NPA Chair

42. In the 2010 review, the SRA for the Chair of the South Downs NPA was arrived at by multiplying the Basic Allowance by a factor of 2. The factor approach as it known is the most common way of arriving at the SRA for other NPA Chairs and Leaders of the nominating councils. However, the difference between the average Basic Allowance (£2,157) and mean Chairs' SRA (£5,127) in the NPAs is approximately a factor of 2.4 to 1 whereas in the nominating district councils is just over 3 to 1 which is the norm for principal councils - a greater differential reflecting the executive powers possessed by Leaders in principal councils. A lower than typical differential between the South Downs NPA Basic Allowance and Chairs' SRA does not on its own present a case to revisit the Chairs' SRA. Benchmarking also shows that the Chair's SRA while higher than the mean SRA paid to Chairs of the English NPAs is not significantly higher so has to be unjustified, particularly considering the size of the Authority in terms of both area and population.

- Mean SRA paid to Chairs English NPAs: £5,127
- SRA paid to South Downs NPA Chair: £5,720

43. The Chairs role has settled down since the last review when the Chair was committing the greater proportion of her time in ensuring the successful transition from a shadow to operational Authority. Nonetheless, the Chairs' role remains substantial one, particularly regarding the ambassadorial role on behalf of the Authority through taking a lead in partnership working, liaison and leadership required to engage partners and stakeholders. Moreover, the Chair is ex officio a Member of the 3 standing committees (as is the Deputy Chair). This has developed the Chairs and to a lesser extent Deputy Chairs' role as the coordinator of the different governance structures. This is addition to chairing other relevant Authority informal bodies as required, such as the Local Plan Member Development Working Group.
44. Nonetheless, while there was universal agreement that the work undertaken by the Chair does not require a full time commitment and what that might

imply for the level of SRA required to support that such a commitment. There was a view that the current SRA was at a level that might not be an enabler for most people. At the same time there was also a stronger counterview that now was not the time to revise the current SRA a view that is supported by benchmarking.

45. The benchmarking shows that the Chair's SRA is ranked fourth and for total remuneration ranked third out all the NPAs in England, with the highest being Northumberland (£6,333 for Chair's SRA) and the Lake District (£9,000 total remuneration) respectively. The remuneration of the South Downs NPA Chair is in the upper third of the comparative range – which is more than appropriate given the size of South Downs NPA.
46. **Consequently, it is recommended that there is no change to the current SRA (£5,720) for the Chair of the South Downs NPA, subject to any indexation that may be applied.**

### The Deputy Chair's SRA

47. As per the 2006 Statutory Guidance (paragraph 76), the SRA for the Deputy Chair, (and other recommended SRAs) was arrived at in the 2010 review by pro rating it against the SRA for the Chair. It was set by sizing the Deputy Chair's roles and responsibilities at 75% of the Chairs' SRA, thus arriving at an SRA of £4,335 (75% X £5,720). The ratio between the mean SRA paid to English NPA Chairs and Deputy Chairs is just under 50%.

- Mean SRA paid to Deputy Chairs of English NPAs: £2,641
- SRA paid to Deputy Chair of the South Downs NPA: £4,335

48. Benchmarking further shows that the Deputy Chair's SRA is higher than all but one other NPA (Lake District NPA Deputy Chairs' SRA being £4,500). It is also higher than the Chair's SRA paid in the Broads (£3,925) and New Forest NPA (£3,648). There is not a strong objective rationale for this to be the case except it is inherent where allowances continue to be locally determined. However, localism also means that the Deputy Chair in South Downs NPA as well as being ex officio on the 3 standing committees. This is in addition to the Deputy Chair working closely with the Chair such as attending the monthly meetings of the Senior Management Team. A well as taking on discrete tasks when required, such as chairing a task and finish working group and working with the Chair to develop the National Park Management Plan. The Deputy Chair also has to stand in for the Chair when required, not just only in the Chair's absence when the Chair has to attend external meetings but in place of the Chair at some of those external meetings when Chair is unable attend. Finally, no representation was received to suggest that the Deputy Chair's SRA required revising.

49. **It is recommended that there is no change to the current SRA (£4,335) for the Deputy Chair of the South Downs NPA subject to any indexation that might apply.**

### **The Chair of the Planning Committee**

The Planning Committee was the least affected by the governance review in that it was not configured. The Authority is the responsible planning body for the area covered by the Park (one where planning pressures are very intense). Normally it operates in partnership with the nominating council and the majority of decisions on local planning applications are delegated to the 10 of the relevant local councils. Yet South Downs NPA through the Planning Committee retains ultimate responsibility for all planning decisions, and 5 of the nominating councils have handed back responsibility for all their local planning applications. The Authority has responsibility for determining major planning applications as well as setting planning policy - a policy that the nominating councils have to operate within when deciding on local planning applications.

50. The Chair of Planning not only chairs the planning meetings but also is also Vice Chair of the Local Panel Member Working Group which is tasked with reviewing the Local Plan for the park, after successfully adopting the original Local Panel in 2011. The Chair will also attend a large number of external meetings to consult, inform and engage with local partners and stakeholders regarding planning issues in the park as it is a high profile topic that attracts a great deal of public and media attention.
51. In the 2nd review the SRA (£3,432) for the Chair of the Planning Committee was uplifted from one third to 60% of the Chairs' SRA. This was not only to reflect the size of the Authority but the importance of the planning in the work of the Authority and the early emphasis on planning as shown in the need to adopt a Local Plan shortly after going live. Benchmarking shows that Planning Chairs' SRA is the 2nd highest out of the 8 English NPAs that remunerate their Chair of Planning (Lake District NPA does not remunerate its Planning Chair). The mean SRA for Chairs of Planning in English NPAs is £2,387. However considering the nature of the South Downs National Park and the need to work in partnership with 15 nominating councils means this relatively high SRA is justified. The representation received also supported the current situation whereby the Planning Chair is paid the highest out of the Chairs of the 3 standing committees of the South Downs NPA, although it was pointed out that there may be a case for greater convergence over time.
52. **It is recommended that there is no change to the current SRA (£3,432) for the Chair of the Planning Committee subject to any indexation that might apply.**

### **The Deputy Chair of the Planning Committee**

53. The SRA (£514) was set as is typical with reference to the Planning Chairs' SRA, in this case 15%. This SRA was recommended not so much in recognition of on-going exercise of significant responsibility but the potential to do so on an occasional basis. The risk in getting it wrong on a planning decision will be much higher than on other committees. The statutory framework for planning means it has to meet monthly to ensure planning decisions are decided in defined limits. This means that if the Chair is unable to chair a Planning Committee meeting, which does occur mostly when the Chair has to declare an interest, the meeting cannot be postponed and the Vice Chair has to step in. In turn this requires the Planning Vice Chair to keep up to speed with the agenda of each meeting that includes attending pre-meeting briefings along with the Chair and Lead Officer as well attend the Local Plan Member Working Group.
54. Six of the other English SRAs also remunerate this post with mean SRA being £1,183. This average is skewed up wards by Exmoor paying its Vice Chair of Planning an SRA of £2,581 which is higher than most NPAs pay their planning chair of planning. Even if Exmoor was removed for benchmarking purposes the mean SRA would be £950. The fact remains that the SRA for the Vice Chair of Planning in the South Downs NPA is the lowest which is not appropriate for the size of the Authority.
55. All this leads to the conclusion that the SRA for the Vice Chair of Planning is on the low side, indeed £514 is even stretching the concept that it is more a recognition than real recompense. Despite there being limited representation to revise the SRA for the Chair of Planning it has been, if nothing else to ensure it is not the lowest across the English NPAs. Thus the ratio utilised in arriving at the SAR for the Vice Chair of Planning has been increased from 155 to 20% of the Chair of Planning's SRA, which equals £686.
56. **It is recommended SRA for the Vice Chair of the Planning Committee is £686 subject to any indexation that might apply.**

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

57. There was some sizeable representation that argued the case to pay a small SRA to the Planning Committee members on the grounds that they have to attend more meetings than members appointed to the other 2 standing committees as well as undertake relevant site visits. However, at this stage an SRA is not being recommended for Members of Planning Committee on a number of grounds:
- Cost: due to the expressed desire for the review to have a minimal impact of the cost of allowance then to pay a small SRA to the 11 ordinary members of Planning will have a greater cost impact than recommending a couple of small increases in SRAs.

- Comparative practice: While not unknown it is not standard practice to remunerate Planning Committee members either in principal or joint authorities. Out of the 10 English NPAs only the Broads pay their planning members an SRA (£523) and out of the 15 nominating councils only 3 pay their planning committee members an SRA, these are Arun, Eastbourne and Lewes.
  - Undue emphasis: from the representation not supporting an SRA for the members of the Planning Committee it was argued that to do so may put an undue emphasis on planning to the detriment of the Authority in a context where it is required to deliver on its wider brief.
  - Attracting Members to planning: There are no reported problems in getting Members to sit on the Planning Committee - although it is recognised that the remuneration across the board can hardly be seen as an incentive to recruitment generally. But this is in a different context - Members are already on the Authority and if they were choosing to sit on the other 2 standing committees then the case to remunerate planning members might be stronger.
58. Furthermore, it is noted that the 2003 Statutory Guidance states that (paragraph 72): “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.”
59. This advice highlights the considerations in recommending paying an SRA. It also points out the incongruous situation where more than 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 South Downs NPA members receiving a SRA – contrary to statutory guidance.
60. **It is not recommended that the ordinary Members of the Planning Committee are paid a SRA.**

### **The Chair of Policy & Programme Committee**

61. The Policy & Programme Committee replaced the Resources and Performance Committee on 1 January 2014 with the SRA for the chair simply carried over. It is currently £1,144, which was set at 20% of the Chair’s SRA. A Chair of Policy or an equivalent post is in place and remunerated in only 3 other NPAs and they are all paid a higher than in South Downs NPA, with mean being £1,901.
62. The relatively low SRA is counterbalanced by the fact that the Policy and Programme Committee lost some of its remit regarding performance reviews. On the other hand, it has three major functions that the Authority has to address namely:

- Leading on the direction of the Corporate Plan
  - Approve major projects (over £50,000 where there is no delegation to Officers
  - Set the overall policy direction of the Authority
63. There was a view that over time the Policy & Programme Committee may well become more important relative to the other standing committees due its corporate responsibilities but there was no representation or other evidence received to suggest that the SRA for the Chair of the Policy & Programme Committee needed revising at this early stage of its existence.
64. **It is recommended that the SRA for the Chair of the Policy & Programme Committee be maintained at £1,144, subject to any index that may be applied.**

#### **The Vice Chair of the Policy & Programme Committee**

65. Interestingly in the 3 other NPAs that have and remunerate the Chair of their equivalent to the South Downs NPA Policy & Programme Committee also remunerate their Vice Chairs unlike in the South Downs. However, only very limited representation was received to suggest the Vice Chair of the Policy & Programme Committee merited an SRA at this stage, thus one is not being recommended.
66. **It is not recommended that the Vice Chair of the Policy & Programme Committee is paid an SRA at this stage.**

#### **The Chair of the Governance Committee**

67. The Governance Committee replaced the former Standards & Audit Committee and the Chair receives an SRA of £572, which was set at 10% of the Chair's SRA. While this committee meets the least out of the 3 standing committees, with 5 scheduled meetings per year, it has undergone the greatest reconfiguration.
68. It is still responsible for the residual standards function not otherwise delegated to the Monitoring Officer and Independent Person both of whom have been able to deal informally with all complaints against Members at an early stage. Thus, the scope of standards functions the Governance Committee has been much reduced since the implementation (summer 2013) of the relevant provisions of the Localism Act 2011.
69. The Governance Committee has also retained the audit and governance functions which conversely have become wider ranging and a more Member driven process and generally a more important function. The Governance Committee is tasked with ensuring the Authority meets the requirements of

the Accounts and Audit Regulations 2011, which among other things includes approving the Authority's annual Statement of Accounts, reviewing the effectiveness of internal audit and control and reviewing the outcome of the annual review of governance arrangements and approving the Annual Governance Statements, ensuring it contains nay actions for improvement.

70. The committee has also picked up the performance monitoring and review function which is centred around its remit:

To monitor and review the performance, including financial performance, of the Authority in the context of its business delivery and the management and maintenance of the Authority's assets in accordance with the Authority's agreed budget, Corporate Plan and other approved plans.

71. Currently the Chair of the Governance Committee receives a SRA of £572, which was set at 10% of the Chair's SRA. Only 2 other English NPAs remunerate this post, with the Broads Authority paying £523 and Dartmoor NPA paying an SRA of £1,560. No significant evidence was received to indicate that this post and SRA needed revising.
72. Only 3 other English NPAs have a similar committee and also remunerate the Chair (Broads, Dartmoor and North Yorkshire Moors) with the average SRA being £859. There is a word of caution in that the configuration and remit of the Governance Committees in the other authorities are not exactly the same as in the South Downs NPA - most do not include standards and governance although audit is the common thread.
73. Nonetheless, the strongest case to revise the current level payable of any allowances in the South Downs NPA is in regards to the SRA for the Chair of the Governance Committee; a view generally supported in the representations received. The current SRA reflects when the committee was much narrower in focus and the SRA does not even meet the criteria of giving recognition to the role. Therefore, it has been decided this SRA should be increased to recognise more closely the broader range of responsibilities carried by the Chair of the Governance Committee. In arriving at the recommended SRA the pro rata approach has been maintained and ratio up lifted from 10% of the Chairs SRA to 15%, which equates to £858 and only £1 off the mean SRA paid to similar posts in the English NPAs 2014/15. It is recognised that this represents a 50% increase on the current SRA but the fact remains that a 50% increase on a very small sum does not amount to a large sum and £858 still represents value for money.
74. **The recommended SRA for the Chair of the Governance Committee is £858, subject to any indexation that may be applied.**

### **The Vice Chair of the Governance Committee**

75. There was no evidence received to suggest that the Vice Chair of the Governance Committee merited an SRA at this stage, thus one is not being recommended.
76. **It is not recommended that the Vice Chair of the Governance Committee is paid an SRA.**

### **Adopting a 1-SRA only rule**

77. The 2003 Members Allowances Regulations do not prohibit a Member receiving more than 1 SRA, which is currently the case in the South Downs NPA. However, it is common practice in both NPAs and local authorities to adopt a 1-SRA only rule so that regardless of the number of remunerated posts a Member holds they are only able to draw down a single SRA, normally the highest. This is regarded as good practice; it makes the allowances scheme more transparent and does not lead to a situation where a Member is remunerated more than the Chair or Leader. It also helps to prevent the concentration of power in the hands of a few leading Members who might monopolise posts so has to enhance their remuneration.
78. **It is recommended that the South Downs NPA adopt a 1-SRA only rule, in that regardless of the number of remunerated posts a Member hold they are only able to draw down 1 SRA, being the highest.**

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

79. Currently, the allowances scheme makes reference for Co-optees' Allowance for the co-opted Chair of the Standards Committee (£450) and for the co-opted Deputy Chair of the Standards Committee (£225). The South Downs NPA is no longer required to appoint statutory Co-optees, which it was in respect to the old Standards and Audit Committee. This provision for Co-optees' Allowances is now redundant. Moreover, no evidence was received to indicate that a Co-optees' Allowance should be paid to the 2 non-statutory co-opted Members on the Governance Committee.
80. **It is recommended that the provision for a Co-optees' Allowance is removed from the South Downs NPA allowances scheme.**

### **Travel and Subsistence Allowances**

81. Currently Members of the South Downs NPA are able to claim Subsistence Allowances at the same rates and under the same conditions that apply to Officers. No evidence was received to indicate that these rates and conditions are inappropriate.
82. Members are able to claim mileage allowances for attending approved duties at HMRC rates and for other travel under the same terms and conditions that

apply to Officers. No evidence was received to indicate that these rates and conditions are inappropriate

83. **It is recommended that current Travel and Subsistence Allowances rates and conditions be maintained.**

### **Definition of Approved Duties**

84. **It is recommended that there is no change to the current definition of approved duties for which Members can claim travel and subsistence allowances.**

### **The Dependants' Carers Allowance**

85. The 2003 Members' Allowances Regulations provide no express powers for a joint authority to pay a carers' allowance. Only the nominating councils have the right to make available a Dependants' Carers Allowance. It is pointed out that if Members wish to claim for the cost of care of any dependants they may be able to do so from their nominating authority – but only at the nominating authority's discretion.

### **Indexing Allowances**

86. The 2003 Members' Allowances Regulations permit authorities, including NPAs, to apply an index to their allowances for up to a period of four years before authorisation is required again – in the case of the South Downs NPA, this authorisation would come from the Authority itself as it is not required to seek independent advice.
87. The most common index applied to Members' Allowances in the nominating authorities is the same one that is applied to Officers, namely, annual percentage salary increase as agreed by the National Joint Council (NJC) for Local Government Services (linked to spinal column point 49) as implemented on 1 April of each year.
88. The South Downs NPA determines locally staff remuneration and any annual cost of living increases, which since 2011 has been 1% each year. Bearing in mind the terms of reference regarding the future proofing of the allowances scheme it is appropriate that the allowances in South Downs NPA are indexed on the same basis that Officers salary is indexed. It also ensures that Members and Officers are treated equally in this respect.
89. **It is recommended that the following indices are applied to the following allowances:**

- **Basic Allowance and SRAs:**

- Indexed to the annual percentage increase in salary for the South Downs NPA staff, where such a cost of living increase is implemented in a particular year.
- **Subsistence Allowances:**
  - Indexed to the same rates applicable to Officers of the South Downs NPA
- **Mileage Allowances:**
  - Indexed to the HMRC approved mileage rates

## **Implementation**

90. **It is further recommended that the proposals contained in this report are implemented no later than Authority's Annual General Meeting on 25 June 2015, or any date before then as agreed by the Authority.**

## **APPENDIX 1: Members and Officers who met with Declan Hall**

### **Members:**

Ken Bodfish OBE <sup>6</sup> :	Chair of Policy & Programme Committee (National appointment)
Cllr Norman Dingemans:	Deputy Chair of South Downs NPA & Chair of Governance Committee (Council appointment)
Neville Harrison <sup>7</sup> :	Deputy Chair of Planning Committee (Parish appointment)
Margaret Paren OBE:	Chair of South Downs NPA (National appointment)
Cllr Andrew Shaxon:	Chair of Planning Committee (Council appointment)

### **Members Written Submissions:**

Barbara Holyome	Planning Committee Member (Parish appointment)
Cllr Andrew Shaxon:	Chair of Planning Committee (Council appointment)
Cllr Paul Yallop:	Member of Policy & Programme Committee (Council appointment)

### **Officers:**

Rebecca Haynes	Member Services Officer
Andrew Lee:	Director of Strategy & Partnerships
Robin Parr:	Governance & Support Services Manager

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<sup>6</sup> Ken Bodfish was interviewed via telephone on 25 February 2015

<sup>7</sup> Cllr Harrison was interviewed via telephone on 24 February 2015

## **APPENDIX 2: Further information Considered**

1. SI 2003 No. 1021, *The Local Authorities (Members' Allowances) (England) Regulations 2003*, 7 April 2003.
2. DCLG and HMRC: *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, May 2006
3. The First Report for the Independent Review of Members' Allowances for South Downs NPA, June 2010
4. The Second Report for the Independent Review of Members' Allowances for South Downs NPA, November 2011
5. South Downs NPA, Members' Allowances scheme 2014/15, including all reimbursements paid to Members
6. South Down NPA committee membership, appointments and representation on outside bodies
7. South Downs NPA, full authority, committee and other meetings/events schedule of meetings 2014/15
8. South Downs NPA, terms of reference for committees
9. South Downs NPA, Member role description and specification
10. Annual Survey of Hourly Earnings, Median Annual pay – Gross (£) – for all time employees in the United Kingdom 2014 Table 8.7a, including residents in South East, (Office of National Statistics)
11. Robin Parr, a short briefing paper on changes to the South Downs NPA and challenges it faces
12. The most recent IRP reports from the nominating councils

**Appendix 3: Allowances Paid in NPAs/Broads Authority (England 2014/15)**

NPA/Broads Authority	BA	NPA Chair	Chair Total	NPA Deputy Chair	Chair of Planning	V/Chair of Planning	Chair Resources &/or Policy	V/Chair Resources &/or Policy	Chair Audit &/or Governance	V/Chair Audit &/or Governance	Other SRAs/Allowances
<b>Broads</b>	£1,046	£3,925	£4,971	£1,963	£1,963	£523			£523		Chair Navigation Committee £1,963 Vice Chair Navigation Committee £523 Planning & Lead Members £523
<b>Dartmoor</b>	£1,611	£4,806	£6,417	£1,611	£1,611	£805			£1,611	£805	Chair Standards Sub £316
<b>Exmoor</b>	£2,581	£5,161	£7,742	£3,871	£3,871	£2,581	£2,581	£1,290			Chair Parish Consultative Forum £1,290 Chair Standards Committee £645
<b>Lake District</b>	£3,000	£6,000	£9,000	£4,500							
<b>New Forest</b>	£1,824	£3,648	£5,472	£1,807	£1,824	£904	£1,824	£912			Chair Standards Committee £456
<b>Northumberland</b>	£1,689	£6,333	£8,022	£2,533	£1,689						Chair Scrutiny £844
<b>N. Yorks Moors</b>	£2,211	£4,423	£6,634	£1,658	£2,211				£730		
<b>Peak District</b>	£1,753	£5,259	£7,012	£2,630	£2,630	£1,753	£1,753	£877			
<b>Yorkshire Dales</b>	£2,998	£5,995	£8,993	£1,499	£2,248	£1,200					
<b>South Downs</b>	£2,860	£5,720	£8,580	£4,335	£3,432	£514	£1,444		£572		
<b>Highest</b>	<b>£3,000</b>	<b>£6,333</b>	<b>£9,000</b>	<b>£4,500</b>	<b>£3,871</b>	<b>£2,581</b>	<b>£2,581</b>	<b>£1,290</b>	<b>£1,611</b>		
<b>Lowest</b>	<b>£1,046</b>	<b>£3,648</b>	<b>£4,971</b>	<b>£1,499</b>	<b>£1,611</b>	<b>£514</b>	<b>£1,444</b>	<b>£877</b>	<b>£523</b>		
<b>Mean</b>	<b>£2,157</b>	<b>£5,127</b>	<b>£7,284</b>	<b>£2,641</b>	<b>£2,387</b>	<b>£1,183</b>	<b>£1,901</b>	<b>£1,026</b>	<b>£859</b>		
<b>Median</b>	<b>£2,018</b>	<b>£5,210</b>	<b>£7,377</b>	<b>£2,248</b>	<b>£2,211</b>	<b>£904</b>	<b>£1,789</b>	<b>£912</b>	<b>£651</b>		
<b>SDNPA RANK</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>4</b>		<b>3</b>		

**Appendix 4: Main Allowances paid in the constituent district councils 2014/15**

<b>Constituent District Council</b>	<b>Basic Allowance</b>	<b>Leader</b>	<b>Chair of Planning</b>	<b>Vice Chair of Planning</b>	<b>Members of Planning</b>	<b>Chair of Governance &amp;/or Audit</b>	<b>More than 1 SRA</b>
Adur	£3,780	£9,450	£1,890	£945		£1,890	
Arun	£5,055	£14,196	£6,000	£1,980	£750		>1
Chichester	£4,300	£13,250	£4,500				
Eastbourne	£2,808	£4,212	£2,106	£1,404	£1,404		
East Hants	£4,500	£16,000	£4,150	£1,383		£2,767	
Horsham	£4,665	£11,475	£3,575	£1,195		£795	>1
Lewes	£3,005	£13,937	£4,181	£697	£502	£4,181	
Mid-Sussex	£4,501	£20,596	£4,501			£1,930	
Wealden	£4,300	£12,580	£3,925	£1,310		£3,515	
Winchester	£5,580	£16,734	£7,605	£2,280		£2,280	
Worthing	£4,645	£13,934	£4,645	£1,161		£2,323	
<b>Lowest</b>	<b>£2,808</b>	<b>£4,212</b>	<b>£1,890</b>	<b>£697</b>	<b>£502</b>	<b>£795</b>	
<b>Highest</b>	<b>£5,580</b>	<b>£20,596</b>	<b>£7,605</b>	<b>£2,280</b>	<b>£1,404</b>	<b>£4,181</b>	
<b>Mean</b>	<b>£4,285</b>	<b>£13,306</b>	<b>£4,280</b>	<b>£1,373</b>	<b>£885</b>	<b>£2,460</b>	
<b>Median</b>	<b>£4,500</b>	<b>£13,934</b>	<b>£4,181</b>	<b>£1,310</b>	<b>£750</b>	<b>£2,302</b>	
<b>SE Employers Allowances Survey 2014 (Mean)</b>	<b>£4,612</b>	<b>£13,488</b>	<b>£4,408</b>	<b>£1,411</b>		<b>£2,273</b>	