

**Agenda Item 14**  
**Report 26/17**

Report to	<b>South Downs National Park Authority</b>
Date	<b>19 December 2017</b>
By	<b>Head of Governance</b>
Title of Report	<b>Independent Review of Member Allowances</b>

**Recommendation: The Authority is recommended to:**

- 1. Consider the outcomes of the independent review of the Scheme of Allowances and;**
- 2. Agree to amend the Scheme of Allowances to include:**
  - a. Removal of the allowances payable for the Chair of the Governance Committee and Chair of the Policy and Programme Committee.**
  - b. Inclusion of an allowance for the Chair of the Policy and Resources Committee of £1770.38**
  - c. Inclusion of an allowance for the Deputy Chair of the Policy and Resources Committee of £354.07 (subject to any indexation) to become payable when a single Deputy Chair of the Committee is appointed.**
- 3. Agree that the changes in the Scheme of Allowances be backdated to 11 July 2017**

**1. Introduction**

- 1.1 The adoption of a scheme of Members' allowances by the Authority is governed by the Local Authorities (Members' Allowances) (England) Regulations 2003 (The Regulations). These regulations require that the scheme of allowances is made at the start of each year and where indexation is in place, this be reviewed at least every four years.
- 1.2 This review has been undertaken following the conclusion of the Governance Review in 2017, to ensure the Scheme of Allowances reflects the new committee model agreed by the NPA at its meeting in July 2017.
- 1.3 The proposed updated scheme of allowances arising from this review are shown at Appendix 1.

**2. Background**

- 2.1 There is no requirement for the SDNPA to commission an independent external review of its allowances, however, it is widely held to be good practice to do so.
- 2.2 Dr Declan Hall undertook a review in 2010, 2011 and 2015 for the Authority and was appointed to undertake this fourth review and formulate recommendations to the Authority. His review is attached at **Appendix 2**. Dr Hall gained his experience at the Institute of Local Government at Birmingham University and elsewhere, and has carried out many remuneration reviews on behalf of local authorities and National Park Authorities in England and Wales.
- 2.3 The review explains the rationale and methodology that was applied. Regard has been had to other National Park Authority schemes. The SDNPA is also required to have regard to the recommendations to local authorities in the National Park area by their Independent Remuneration Panels ("IRP recommendations"). This information was also supplied and taken into account (copies of which are available on request).
- 2.4 In order to ensure the review was as well informed about local circumstances as possible, the

reviewer carried out a number of interviews in October 2017. These included interviews with: the Authority Chair and Deputy Chair, Committee Chairs and Deputies and Members of SMT.

### 3. Other Implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No.
Does the proposal raise any Resource implications?	If the Authority were to accept the report recommendations in full, the total annual cost of Member's allowances would remain largely unchanged.
How does the proposal represent Value for Money?	The level of allowances is independently recommended and takes into account the levels of allowances at other NPA's and appointing Authority's. By commissioning an independent and external review, based on objective data and benchmarking against other similar schemes, the Authority has taken steps to ensure a reasoned, well founded and transparent remuneration scheme is adopted.
Are there any Social Value implications arising from the proposal?	None
Has due regard been taken of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	By commissioning an independent and external review that considers other similar schemes, the review aims to ensure both that Members are fairly remunerated for their roles without unfairly burdening the taxpayer.
Are there any Human Rights implications arising from the proposal?	The review recognises the principle that Members are expected to give part of their time voluntarily, whilst also trying to ensure that they are not financially disadvantaged
Are there any Crime & Disorder implications arising from the proposal?	None
Are there any Health & Safety implications arising from the proposal?	None
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy:	The proposal contributes to principle 4: Promoting good governance

### 4. Risks Associated with the Proposed Decision

- 4.1 By undertaking an independent review of allowances the Authority mitigates against the risk that scheme is not fit for purpose, or is not achieving the removal of barriers to participation in the work of the Authority.

**Robin Parr**  
**Head of Governance**

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Appendices	1- scheme of allowances showing proposed changes 2– Fourth Independent review of Members allowances Report
SDNPA Consultees	Chief Executive Officer, Monitoring Officer.
Background Documents	<a href="#">Independent Review of Members’ Allowances for the SDNPA, April 2015</a> Allowance schemes of appointing authorities <a href="#">Independent Review Panel Recommendations to Local Authorities in the National Park</a>

SDNPA Scheme of Members' Allowances

Approved 26 March 2015 With effect from 1 April 2015 (updated 3 June 2016 and 28 April 2017)

Proposed changes arising from 2017 review

**1. INTRODUCTION**

- South Downs National Park Authority's scheme provides for payment of:
  - **Basic Allowance** which is a flat rate payable to each member, excluding co-opted members;
  - **Special Responsibility Allowance** for members undertaking additional roles as defined by the Authority;

**2. GENERAL POINTS**

- The term "member" means a member of the South Downs National Park Authority.
- Members have the option of not claiming all or part of any allowance. The Chief Executive must be notified in writing by the Member if they wish to choose this option.
- All enquiries relating to Members' Allowances should be made to the Governance and Support Services Manager.

**3. BASIC ALLOWANCE**

- Is payable to all members, excluding Co-opted Members.
- Where the member's term of office begins or ends at any time other than the start of the financial year, they are entitled to the appropriate proportion of the annual allowance.
- **The basic allowance is £2950.12 per annum and is annually increased in line with any staff cost of living pay award applied.**

**4. SPECIAL RESPONSIBILITY ALLOWANCE (SRA)**

- Is payable in addition to the Basic Allowance.
- Is payable to members who have been given significant additional responsibilities e.g. Chairman, Deputy Chairman.
- Where a member does not have throughout the whole of a year any such special responsibilities as entitled him/her to a special responsibility allowance, he/she is entitled to the appropriate proportion of the annual allowance.
- Does not include any element for travel expenses, which are claimable in the normal way for any Special Responsibility Allowance duty.
- **Special responsibility allowance rates are set out below. These are annually increased in line with any staff cost of living pay award applied:**

Chairman of the Authority	£5,901.27
Deputy Chairman of the Authority	£4,472.11
Chairman of Planning Committee	£3,540.76
Deputy Chairman of Planning Committee	£706.92

<b>Chairman of Policy and <del>Programme</del> Resources Committee</b>	<b><del>£1,180.25</del></b>
	<b>£1770.38</b>
<b>Deputy Chairman of Policy and Resources Committee (to be payable when a single Deputy Chairman is appointed )</b>	<b>£354.07</b>
<b><del>Chairman of Governance Committee</del></b>	<b><del>£884.42</del></b>

**5. TRAVEL ALLOWANCE**

- Is claimed in accordance with the SDNPA Travel and Subsistence policy.
- Can only be claimed for an approved duty (as set out in Appendix I).
- Can be claimed by Co-opted Members and the Independent Person.
- Should be claimed promptly (within two months of expenditure being incurred) on the members' claim form.
- Expenditure on tolls, parking fees etc may be claimed for re-imbursement on production of receipts.

**6. SUBSISTENCE ALLOWANCE**

- Is claimed in accordance with the SDNPA Travel and Subsistence policy.
- Can only be claimed for an approved duty (as set out in Appendix I).
- Can be claimed by Co-opted Members and the Independent Person.
- Is claimable for the actual cost of the meal or overnight expenses up to the same maximum set out for staff which is updated annually.
- Should be claimed promptly (within two months of expenditure being incurred) on the members' claim form. Receipts must be attached to the claim whenever possible to support the claim.
- Is not claimable in respect of alcoholic drinks.

**7. PAYMENT OF ALLOWANCES**

- Basic Allowance and Special Responsibility Allowance are paid automatically monthly after completion of:
  - Written undertaking to comply with the Code of Conduct for members
  - Declaration of interests
  - Tax, National Insurance and Bank detail forms.
- Travel and subsistence Allowances must be claimed within two months on the members' claim form.
- Allowances must not be claimed where the member is entitled to receive payment from another public body in respect of the same duties.

**8. WITHHOLDING ALLOWANCES**

- Where any Member (including a Co-opted Member) is suspended or partially suspended from responsibilities or duties in accordance with the 2003 Members' Allowances and subsequent regulations, the Governance Committee may determine that any of the following allowances:

- (a) the part of Basic Allowance payable in respect of the period of suspension or partial suspension
  - (b) the part of Special Responsibility Allowance payable in respect of the responsibilities or duties during the period of suspension or partial suspension
  - (c) any travel or subsistence payable in respect of the responsibilities or duties during the period of suspension or partial suspensionmay be withheld.
- Where payment of any allowance has already been made in respect of any period during which the Member concerned is:
  - (a) suspended or partially suspended from responsibilities or duties in accordance with Part III of the Local Government Act 2000 or regulations made under that Part;
  - (b) ceases to be a Member or
  - (c) is in any other way not entitled to receive the allowance in respect of that period

Governance Committee may require that such part of the allowance that relates to any such period be repaid to the South Downs NPA.

**The Fourth Independent Review**

**Of**

**Members' Allowances**

**For the**

**South Downs**  
**National Park Authority**

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The Fourth Report

By

**Dr Declan Hall**

November 2017

## Introduction

1. At the meeting of the South National Park Authority (SDNPA) 11 July 2017<sup>1</sup> agreed to a reconfiguration of the Authority's governance arrangements and an accompanying independent review of Members' Allowances to align them with the new governance structures. 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.

## The Regulatory Context and Paying Regard to Nominating Districts

2. 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.
3. In addition, the *Local Authorities (Members' Allowance) (England) Regulations 2003*<sup>2</sup> and subsequent amendments and the 2006 Statutory Guidance, set the legislative framework for all local authorities when determining and amending their Members' Allowances schemes. Most of the 2003 Regulations, notably Parts 1, 2, and 3, are applicable to all English NPAs.
4. The main aspects of the 2003 Regulations that apply to the South Downs NPA permit the Authority to determine its own scheme of allowances. Moreover, all national park authorities that 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>3</sup>
5. 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.
6. 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

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<sup>1</sup> See "Governance Review", Report to the South Downs National Park Authority by Head of Governance, 11 July 2107

<sup>2</sup> See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

<sup>3</sup> Statutory Instrument 2003 No. 102, *The Local Authorities (Members' Allowances) (England) Regulations 2003*, 19.  
(2)



Regulations as they apply to the South Downs NPA. Furthermore, the review has also paid regard to allowances payable in other English NPAs where applicable.

7. **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

8. 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.
9. The review was supported and serviced throughout by the following Officer:
  - Robin Parr, Governance Manager
10. 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 requests for information and ensuring that the whole process operated smoothly.

### Terms of Reference

11. In light the recent review fo the SDNPA committee structure that amended its governance framework – resulting in a reduction of major committees and some new roles for Members the review is to consider Special Responsibility Allowances (SRAs) the following posts:
  - Chairman of the new Policy and Resources Committee
  - The two Deputy Chairmen of the new Policy and Resources Committee
  - The third Member on the new Appointments, Management and Standards Committee
12. The terms are to undertake an independent review of the South Downs National Park Authority's Scheme for Members' Allowances.

### Approach and Methodology

13. The reviewer visited the South Downs Centre, Midhurst, West Sussex, on 3<sup>rd</sup> October 2017 to meet with relevant Members and receive factual briefing from Officers and to review all the relevant information for consideration in arriving at recommendations. All Members who met with and Officers who briefed Dr Hall are listed in appendix 1.
14. Prior to visiting the Authority all the relevant documentation was sent to the reviewer, including reports and information on the new governance arrangements, latest IRP reports of the nominating councils and allowances schemes of the nine other English NPAs. All the information considered for this review is listed in appendix 2.

### **Chairman of the Policy and Resources Committee**

15. The Governance Review Task and Finish Group after consultation with the Members in spring 2017 concluded that Members wished for more involvement through Working Groups and workshops in developing and recommending policies and actions to the Authority but Officer capacity to support more of these events was limited. As such the Authority decided that policy development and review of outcomes would be better if both processes were undertaken by one committee.
16. Consequently since the AGM 11 July 2017 the Policy and Programme and Governance Committees were disestablished and replaced by a single Policy and Resources Committee. As an interim arrangement the Chairman of the new Policy and Resources Committee receives the SRA (£1,180.25 – set at 20% of the SDNPA Chairman's SRA) that was previously paid to the Chairman of the Policy and Programme Committee. The SRA (£884.42 set at 15% of the Chairman's SRA) paid to the Chairman of the Governance Committee is no longer payable as the committee is disestablished.
17. To assist with the transition and help the new committee bed in the Policy and Resources Committee have appointed two Deputy Chairmen for the period up to first meeting of the Policy and Resources Committee following the AGM in 2018. At present neither of these Deputy Chairmen are paid an SRA.
18. The principal task is to ascertain whether the current SRA (£1,180.25) is appropriate for the Chairman new Policy and Resources Committee. The comparative picture is restricted in that there are only two other English NPAs<sup>4</sup> with an equivalent committee and a remunerated Chairman, they are:
  - New Forest NPA – Resources, Audit and Performance: £1,884
  - Peak District NPA – Audit Resources & Performance: £1,789
19. Nonetheless, the two comparative examples do provide a guide as the SRAs they pay to Chairmen of their equivalent committees are similar.

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<sup>4</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.

20. An obvious approach would be to combined the two SRAs paid to the Chairmen of the old Policy and Programmes (£1,180.25) and Governance (£884.42) Committees, totalling £2,064.67.
21. However, there have been efficiency savings in terms of number of formal meetings. The Policy and Programmes and Governance Committees each met at least 4 times per year while the Policy and Resources Committee has a meetings schedule of 6 times per year although the agendas for Policy and Resources Committee are obviously slighter larger.
22. **To recognise the efficiency savings and in line with comparative practice it is recommended that the SRA for the Chairman of the Policy and Resources Committee be paid an SRA set at 30% of the SDNPA Chairman's SRA (£5,901.27), which equates to £1,770.38.**
23. **It is further recommended that this SRA is backdated to the date of appointment of the Chairman of the Policy and Resources Committee at the annual meeting of the SDNPA on 11<sup>th</sup> July 2017.**

#### **The Deputy Chairmen of the Policy and Resources Committee (x2)**

24. It is difficult to justify the remuneration of two Deputy Chairmen during this transitional phase. None of the other nine English NPAs remunerate two Deputy Chairmen of the same committee. Moreover, it would go against the spirit of streamlining governance structures only to remunerate two Deputy Chairmen of the same committee. It is recognised that both Deputy Chairmen (as does the Deputy Chairman of Planning) attend the monthly meetings of Authority Chairs/Deputy Chairs and the Senior Management Team. However, this is an informal arena where senior Members and Officers are able to discuss upcoming issues and for Officers to get a steer. While it is an important role undertaken by Members at the Chairs/SMT meetings it is not a decision making body and remunerating a role that has no formal constitutional standing lacks transparency.
25. However, there is a stronger case to remunerate a single Deputy Chairman, particularly where there are six meetings per year in a streamlined committee system. The role is more than standing in for the Chairman in their absence (although in reality this does not occur frequently in the SDNPA), it requires attending Chairman's agenda briefing meetings with relevant Officer and keeping abreast of all the workings of the Committee.
26. This conclusion is supported by the limited comparative practice in the two other English NPAs that have an equivalent committee, both remunerate their respective Deputy Chairmen as follows:

- New Forest NPA – Resources, Audit & Performance: £942
- Peak District NPA – Audit, Resources & Performance: £894

27. The SRAs for the Deputy Chairmen of the equivalent committees in both the New Forest NPA and Peak District NPA have been set at 50% of their respective Chairman's SRAs. The workload and responsibility of a single Deputy Chairman might be equivalent to 50% of the Chairman of the Policy and Resources Committee post the 2018 AGM, particularly if they take a lead in associated workshops and working groups but at this stage this is not known.
28. In lieu of actual experience of the workload and responsibility of a single Deputy Chairman of the Policy and Resources Committee the SRA has been set on the same basis it was set for the Deputy Chairman of the Planning Committee and in accordance with an approach set out in the 2006 Statutory Guidance; namely set pro rata in relation to the most obvious comparative role which is their Committee Chairman. The ratio utilised in setting the SRA for the Deputy Chairman of the Planning Committee was 20% of the Chairman's SRA.
29. **It is recommended that when the Policy and Resources Committee reverts to a single Deputy Chairman then an SRA becomes payable to the Deputy Chairman set at 20% of the Chairman's recommended SRA (£1,770.38), which equates to £354.07 (without taking into account any indexation that may be applicable for 2018/19).**

#### **The appointee to the Appointments, Management & Standards Committee**

30. The Authority has also established an Appointments, Management & Standards Committee which consists of the Chairman and Deputy Chairman of the Authority as *ex officio* Members plus another Member (the appointee) to ensure the committee has the minimum membership required to discharge its functions. These functions are the largely the other (non-planning) regulatory functions of the Authority. These include *inter alia*:
  - Determine the terms and conditions of employment of the Chief Executive and their performance objectives and assessments
  - Promote training and advice to Members and Co-opted Members on the Code of Conduct and its revision
  - Discharge functions in relation to the hearing of complaints made against Members under the Code of Conduct
31. The Appointments, Management & Standards Committee typically meets twice a year and the 3<sup>rd</sup> appointee also attends the Chairs/SMT monthly meetings but receives no SRA. Although the Committee has to occasionally meet to hear and determine complaints against Member the workload and responsibility for being the appointee on the Appointments, Management & Standards Committee is not significant enough to merit an SRA – it is the type of regulatory role that the Basic Allowance is deemed to cover such as being on the Planning Committee

32. **It is not recommended that the 3<sup>rd</sup> appointee on the Appointments, Management & Standards Committee is paid an SRA.**

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

33. Currently, the allowances scheme makes no provision for a Co-optees' Allowance for the two co-opted independent Members on the Policy and Resources Committee. While it is recognised that these co-optees make a valuable contribution to the work of the Committee they are not statutory co-optees which is principally where a Co-optees Allowance comes into play. It is noted that the two co-optees on the Policy and Resources Committee do have their travel and subsistence expenses reimbursed.
34. Consequently, no recommendation is being made in regard to the provision for Co-optees' Allowances.

### **Issues arising – attendance at meetings**

35. The issue of not all Members attending all their scheduled meetings was raised more than once in the interviews. In particular, there was a sense of inequity where Members are paid the same Basic Allowance yet some are not attending all their scheduled meetings. It is a complaint that is also echoed in councils and to an extent it is unavoidable where the principal means of remuneration is a flat rate allowance.
36. The reality is that is little to be done to address this issue through the allowances scheme. In the first instance where a Member feels they may not have attended all the meetings for which they have been paid then they may forgo all or part of their allowances. This is specifically provided for in the 2003 Regulations (paragraph 13) that states that a Member “may, by notice in writing given to the proper officer of the authority, elect to forgo his entitlement or any part of his entitlement to allowances.”
37. A small number of local authorities, Tamworth Borough Council for instance, have gone further by reducing the Basic Allowance and assigning the savings to a ‘Performance’ SRA (typically £300 - £500) paid annually in arrears only when that Member has attended a certain percentage (usually between 66% - 75%) of their scheduled meetings. This approach has its own disadvantages in that it requires Officer resources to monitor and administer and political decisions have to be made on what constitutes excused absences.
38. No recommendation is being made in this regard partly due to the difficulties in implementing and managing a Performance SRA and partly due the fact that non-attendance is not such a major issue. Moreover, the Authority has other means not available in councils to address non-attendance by Council appointees namely report back to their home authority where their appointee is not attending meetings as expected and that Council can substitute with another appointee. If a Council does

not do so then it is an issue that falls well beyond the remit of any independent review of allowances.

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

### **Members:**

Ken Bodfish OBE: Chairman of Policy & Resources (National appointment)

Cllr Norman Dingemans: Deputy Chairman of South Downs NPA

Helen Jackson: Deputy Chair Policy & Resources Committee (National appointment)

Cllr Gill Mattock: Member of Appointments, Management & Standards Committee

Margaret Paren OBE: Chair of South Downs NPA (National appointment)

Sir Sebastian Anstruther: Deputy Chair Policy & Resources Committee (National appointment)

### **Officers:**

Andrew Lee: Director of Countryside Policy & Management

Robin Parr: Head of Governance

## 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. The Third Report for the Independent Review of Members' Allowances for South Downs NPA, March 2015
6. South Downs NPA, Members' Allowances scheme 2016/17
7. Governance Review, Interim Report to the South Downs National Park Authority by Head of Governance, 30 March 2017
8. Governance Review, Report to the South Downs National Park Authority by Head of Governance, 11 July 2017
9. Appointment of Committees and Outside Bodies, Report to the South Downs National Park Authority by Head of Governance, 11 July 2017, including Appendix 1 – Committee Terms of Reference
10. Schedule of Committee Meetings 2017/18
11. South Downs NPA, Member role description and specification
12. Annual Survey of Hours and Earnings, Table 81a, Weekly Pay – Gross – all full time jobs for residents in South East England, Office of National Statistics 2016
13. The most recent IRP reports from the nominating councils