

**REPORT OF THE
INDEPENDENT REMUNERATION PANEL
ON
THE MEMBERS' ALLOWANCES SCHEME 2019-2023
FOR
ROTHER DISTRICT COUNCIL**

INTRODUCTION

1. This report has been prepared in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations") as amended, which require all local authorities to appoint an Independent Remuneration Panel ('the IRP') to advise on the terms and conditions of their Scheme of Members' Allowances ('the Scheme').
2. The IRP acknowledges that it is a matter for Rother District Council ("the Council") to decide the level of Members' Allowances. The statutory position (paragraph 19 of the 2003 Regulations) is that the Council "shall have regard to" the advice from the IRP and the Council cannot make any changes to its Scheme without first considering the IRP's advice on the issues involved. In having "regard" to the IRP's advice, the Council is to "give proper consideration" to the IRP's report. In this way, the Council can take full account of its particular circumstances and be directly accountable to its electorate.
3. The function of the IRP is therefore to provide the Council with advice on the type of its allowances and the amounts to be paid.
4. The 2003 Regulations require the authority to make copies of the Scheme available for inspection by members of the public at all reasonable hours and publish a notice in a local newspaper giving details of the Scheme and the amounts payable in respect of each allowance mentioned in the Scheme.
5. The Council last set its allowances in 2016 on the understanding that a further review by the IRP would take place in 2018 to take effect for the new Council Term 2019-2023.

COMPOSITION OF INDEPENDENT REMUNERATION PANEL

6. In accordance with the 2003 Regulations the following persons were appointed to comprise the IRP:
 - Clive Mills, MIHM, retired Public Services Senior Manager
 - Margaret Sandra, M.A., retired Local Government Advisor and ex-member of the London Borough of Lewisham
 - Edward Stone, BA, DMS, Cert Ed, Experience Retired Teacher, Bursar and Chairman of Wealden District Council's IRP
7. The members of the IRP have between them considerable experience in local government as senior officers, Councillors, advisors and members of remuneration committees for other local authorities, finances and public sector management.
8. In accordance with paragraph 20 (3) of the 2003 Regulations, the Council has paid an allowance and expenses incurred by the IRP members in carrying out its functions.
9. Mrs Lisa Cooper, Democratic Services Manager and Monitoring Officer, Rother District Council provided the IRP with the information required for them to undertake their task, together with administrative support and assisted in the compilation of this report.

TERMS OF REFERENCE

10. The terms of reference for the review are in accordance with the requirements of the 2003 Regulations, together with “Guidance on Consolidated Regulations for Local Authority Allowances” (“the Guidance”) issued in 2003. The IRP are required to make recommendations to the Council about the following:
- (a) as to the responsibilities or duties in respect of which the following should be available —
 - (i) special responsibility allowance;
 - (ii) travelling and subsistence allowance; and
 - (iii) co-optees’ allowance;
 - (b) as to the amount of such allowances and as to the amount of basic allowance;
 - (c) as to whether dependants’ carers’ allowance should be payable to members of an authority, and as to the amount of such an allowance;
 - (d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulation 10(6); and
 - (e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed.
11. In addition to the above, Rother District Council requested that the IRP specifically consider whether:
- the Allowance Scheme should make specific reference that only one Special Responsibility Allowance should be paid to any one Member (to receive the highest of the two);
 - to continue with the Broadband Allowance; and
 - any annual increase continues to be linked to the staff pay award.
12. In accordance with e) above and in the interests of economy and administration, the IRP were requested to make recommendations on allowances for the four year period (2019-2023) with an annual adjustment / increase each year, as appropriate. This would result in no requirement to hold further reviews during the lifetime of the new Council administration unless there is a significant change made to the Council’s decision-making structure.

GUIDING PRINCIPLES

13. The IRP considers that the following principles which had guided its previous reviews held good and should continue to be used in framing its current recommendations, namely that the scheme as recommended should:
- conform with legislative requirements and have regard to published guidance;

- preserve a recognition that the work of a local Councillor contains an element of voluntary public service and is not undertaken for private gain;
- assume that all Members will participate as fully as possible in Council business and play an active part in their wards and that the importance of these two roles should be reflected in the level of the Basic Allowance;
- recognise the demands placed upon Councillors by their differing roles and responsibilities within the Council and fairly and equitably compensate Councillors, so far as it thinks appropriate, for the time and effort they devote to their work as Members of the Council and/or the time and effort they can reasonably be expected to devote;
- ensure that individual Councillors are not disadvantaged by virtue of the ward or party (if any) which they represent, or the geographic spread, within the district, of the places where Council business is conducted be economic, efficient, effective to administer and easy to explain, understand and justify to the local communities within the district; and
- the scheme should ensure, as far as practical, that as wide a range of people as possible should be able to stand for election and that they should not be financially penalised in doing so.

THE PROCESS AND INFORMATION CONSIDERED

14. The IRP met on three occasions during November and December 2018 and conducted face to face interviews with the following Members and officers:

Councillor Kevin Dixon, Leader of the Liberal Democrats, Battle Town Ward
 Councillor Carl Maynard, Leader of the Council, Brede Valley Ward
 Councillor Doug Oliver, Leader of the Association of Independent, Bexhill Collington Ward

Malcolm Johnston, Executive Director
 Graham McCullum, Infrastructure and Service Desk Manager

15. The IRP also conducted a telephone conference call with Councillor Mrs Eleanor Kirby-Green, Cabinet Portfolio Holder, Darwell Ward.

16. The IRP was provided with the following information and gave due consideration thereof in coming to the recommendations within this report:

- a background report setting out the structure and main changes that had occurred within the Council since the IRP's last meeting which included the current decision making structure, relevant minute extracts, Councillor role profiles, Councillor attendance statistics and number of formal / informal meetings held;
- information on the boundary changes coming into force in May 2019;
- new and emerging areas of work for the Council including the Property Investment Strategy and Neighbourhood Planning;
- the IRP's November 2015 report and current Allowance Scheme;
- the results of an all Member Allowance Survey conducted in September 2018 completed by 67% of Members;
- a copy of Wealden and Lewes District Councils' current Allowance Schemes;
- details of staff pay awards since 2016;
- latest indices (Consumer Price Index and Retail Price Index); and

- the South East Employers Members' Allowances survey 2018-2019 which provided regional comparative data on allowances.
17. The IRP are extremely grateful for the useful contributions made by individual Members, officers and the information made available to them whilst conducting this review.
 18. In particular, the IRP would like to place on record their thanks to the four Members for finding the time to contribute to the evidence gathering session and for being so well prepared and focused on the brief. The IRP would also like to thank Malcolm Johnston and Graham McCullum for their candid and transparent contributions on their relevant areas of expertise and knowledge.

CONSIDERATIONS AND RECOMMENDATIONS

Basic Allowance

19. Taking into account the guiding principles above and the evidence provided by Members, it is considered by the IRP that the current Basic Allowance is set at an appropriate level. The Basic Allowance should not be set at a level to attract candidates, but compensate those that devote the time and effort to the role. Indeed it was the view expressed by a number of Councillors that remuneration is not and should not be a driver at all to being a Councillor.
20. There is no evidence to suggest that the level of basic allowance is a deterrent from standing for election as candidates are not in short supply and many are not even aware that there are allowances.
21. The Council's Basic Allowance is currently linked to the staff pay award and takes effect from May each year following the staff pay award in the preceding September. The IRP heard evidence from Members that continued linkage is supported and considered appropriate to remain in place for a number of reasons, including the fact that Councillors and officers work together, Councillors are on the front line as much as staff and it provides budget stability.
22. It is further recommended that following each annual increase, the amounts are either rounded up or down to the nearest full pound for ease of administration, which could result in a marginal increase or decrease in the percentage awarded.

Recommendation 1: That the current Basic Allowance be increased by 2% in line with the 2018/19 staff pay award for 2019/20 and thereafter each subsequent year during the next four years in line with the staff pay award agreed in the previous year.

Recommendation 2: That following each annual increase, the amounts are rounded either up or down to the nearest full pound.

Broadband Allowance

23. Whilst the IRP received mixed views from Members with regard to the Broadband Allowance, on balance, as well taking into account feedback from

officers, it recommends that the current Broadband Allowance should cease from May 2019.

24. The IRP agree with the view put forward by both Members and officers that it is not unrealistic to expect new Councillors joining the Council in May to already have a Broadband connection in place and is therefore a cost that they currently already bear. It is considered to be an essential “utility” in today’s internet connected society and potential candidates are informed by the Council’s promotional material that they will be expected to communicate electronically with the Council and residents.
25. For existing Councillors, whilst the removal of this allowance will result in a reduction to their current level of allowances, it will provide the Council with much needed savings in the continued climate of austerity (£7,600 per annum; £30,400 over the four year period of the Council). It is considered that the Basic Allowance is set at a level which more than adequately recompenses Councillors for the essential cost of a Broadband connection.

Recommendation 3: That the current Broadband Allowance of £200 be withdrawn from May 2019.

Dependant / Childcare Allowance

26. Whilst the current number of Councillors who have claimed dependent / childcare allowance during the life of the current Council is low, it is considered that the continuation of this allowance is essential to ensure that any obstacles to becoming a Councillor are removed.
27. It is acknowledged that there is sometimes difficulty finding reliable dependent / childcare, particularly in the more rural areas at the current levels. Whilst the IRP explored the possibility of recommending a flexible scheme, with delegated discretion to pay higher than the allowance set, this was not widely supported. It is therefore recommended that a modest increase of £1.00 per hour be applied to both the dependent and childcare allowances bringing the levels to £11 and £9 per hour respectively.
28. However, the IRP are keen to ensure that should an individual Councillor have difficulty meeting their dependent / childcare costs, the Councillor should be able to raise the matter with an Executive Director in the first instance.
29. The IRP also recommend that explicit reference is made within the scheme to confirm that the qualifying period for cover and making a claim against this allowance includes the hand-over and travel time, not just the actual hours spent at the meeting; for rural Councillors this could be a considerable length of time.

Recommendation 4: That the dependent / childcare allowances be increased to £11.00 and £9.00 per hour respectively and that specific reference be made in the Allowance Scheme regarding the qualifying period.

Special Responsibility Allowances (SRAs)

30. Taking into account the guiding principles above and the evidence provided by officers and Councillors, it is considered by the IRP that the current Special Responsibility Allowances (SRAs) are set at an appropriate level.
31. There have been no significant changes to the decision making structure that necessitate a substantial change to the current level of SRAs paid. The concept of paying Councillors SRAs in recognition of additional work and responsibilities is commonly accepted and supported by Councillors.
32. The IRP agreed that, in line with the current arrangement, SRAs continue to be increased in line with the staff pay award each year.
33. The IRP has also been tasked with considering whether the Allowance Scheme should make specific reference to a Councillor only being in receipt of one SRA at any one time. Whilst it is custom and practice, and very rare for this to occur, it is not specifically written into the Council's Allowance Scheme. To save any ambiguity, the IRP recommend that the Scheme should include this qualification with the Member to receive the higher of the two SRAs.

Recommendation 5: That the current SRAs be increased by 2% in line with the 2018/19 staff pay award for 2019/20 and thereafter each subsequent year during the next 4 years in line with the staff pay award.

Recommendation 6: That following each annual increase, the SRA amounts are rounded either up or down to the nearest full pound.

Recommendation 7: That specific provision is included within the Members Allowance Scheme to prohibit two SRAs being paid to one Member.

Co-Optees

34. It is a requirement of the Localism Act and the Standards regime that the Council appoints Independent Persons (IPs) to assist with the investigation and determination of complaints made against elected Members and Statutory post holders. The Council currently has three IPs. The IPs assist the Monitoring Officer with the assessment of complaints on an ad hoc basis and attend two meetings per year of the Audit and Standards Committee when matters relating to Standards are considered.
35. The Council has also decided to retain two Parish and Town Council representatives who also attend two meetings per year of the Audit and Standards Committee when matters relating to Standards are considered.
36. Neither the IPs nor the Parish and Town Representatives have voting rights on the Audit and Standards Committee and while commonly referred to as "co-optees", they are not co-opted Members of the Council.
37. Whilst the IRP recognise that the Executive Directors have previously set the allowances paid to the these "co-optees", the IRP are aware that the allowance paid to these individuals has not increased in recent years and they

have recommended that a 2% increase is also applied to these allowances for 2019/20 only. These allowances are not subject to annual increases in line with the staff pay award.

Recommendation 8: That the allowances paid to the “co-optees” be increased by 2% for 2019/20 only and NOT be subject to an annual increase.

Travelling and Subsistence Allowances

Travelling Allowance

38. The policy to fix Travelling Allowances in line with HM Revenue & Customs ‘Approved Mileage Allowance Payment’ was considered practical and relevant by the IRP. It is therefore confirmed, subject and in line with any changes by HRMC, that the policy to fix Travelling Allowances in line with HM Revenue & Customs ‘Approved Mileage Allowance Payment’ is re-affirmed from 2019-2023.
39. In order to help encourage the increased use of car sharing, with its associated benefits of budget savings, reducing the carbon footprint and meeting the Government’s green agenda, it is recommended that the passenger rate per mile is also increased in line with the HM Revenue & Customs’ approved passenger rate.
40. It is acknowledged by the IRP that despite Councillors’ best intentions, it is not always convenient for Councillors to car share due to the nature of their differing roles, responsibilities and committee membership. However, this small increase may incentivise some to car share, will compensate those that do car share and acknowledge the savings that this provides.

Recommendation 9: That Travelling Allowances for both the approved mileage and passenger mileage rates be fixed in line with HM Revenue & Customs ‘Approved Mileage Allowance Payments’ from 2019-2023.

Subsistence Allowances

41. It is acknowledged that the subsistence allowances have been fixed at the current levels for some time and whilst these allowances are not routinely claimed by many Councillors, it is considered that an increase is required. It is therefore recommended that each of the subsistence allowances, breakfast, lunch, tea and dinner be increased by 10% for the period 2019-2023 to reflect a more realistic price for these meals.

Recommendation 10: That each of the subsistence allowances, breakfast, lunch, tea and dinner be increased by 10% for the period 2019-2023.

AREAS FOR FUTURE CONSIDERATION

Shadow Cabinet Allowance

42. The IRP heard evidence from opposition Members that consideration be given to some form of formal shadow Cabinet allowance scheme. It was suggested that such a scheme could make provision for the payment of the equivalent

sum of 10% of a Cabinet Portfolio Holder's SRA (a modest amount) and may help to provide an effective opposition and improve the challenge and scrutiny of Cabinet and compliment their role in a positive way.

43. Conversely, the IRP heard from other Members who were not supportive of the concept of a formal shadow Cabinet receiving any form of payment as shadow Cabinet Members would not have any responsibility, may not be able to attend all relevant external meetings and would not have any obligation to do so. Currently within the Council there was a very small opposition and whilst there may be benefits to Councils with less of a majority, where there was an active, cohesive opposition, it was not considered appropriate at the current time, but this was not to say that in the future the position could be different.
44. The IRP acknowledge that whilst this is not strictly within their remit, they felt that as it had been raised, it was incumbent on them to comment on it within this report.
45. The IRP therefore **recommends** that the Council considers the concept of a shadow Cabinet system during the life of the forthcoming Council, monitors the effectiveness of the opposition during this time and, if considered appropriate, develop a policy / scheme for implementation in the future, with allowance levels to be set by the IRP.

Physical and Mental Well-being

46. Again, whilst not strictly within the remit of the IRP, consideration has been given to the physical and mental well-being of Councillors. The IRP are very aware of the stresses and strains placed on Councillors not only through their ward work and expected attendance / performance at meetings to ensure re-election, but the increase use and pressure of social media platforms and the instant access and instant response culture.
47. The IRP is aware that Councillors are well supported at the Council with training and development and accessible and approachable Executive Directors, however, it is concerned over more general aspects of physical and mental well-being and **recommends** that the Council considers ways of supporting Councillors in this area, if required. The IRP is aware that officers have access to an Employee Assistance Programme and the concept of this being extended to include Councillors could be explored.

RECOMMENDATIONS AND CONCLUSION

48. Taking into account the above recommendations, the proposed allowances for the Council year 2019/20, together with a list of all the recommendations for ease of reference are set out at Appendix 1 to this report.
49. The IRP would also like to draw Councillors' attention to paragraph 7 of the current Members' Allowance Scheme on renunciation: *"A Councillor or other recipient of an allowance may elect to forego any part of his or her entitlement to an allowance under this scheme by giving notice to the Assistant Director Resources."*

50. The IRP would also like to recommend that the Council actively promotes the Allowance Scheme and provisions contained therein to all Councillors and prospective Councillors through the website and pre-election candidate material.
51. The IRP confirms that the foregoing views are those of the Members of the IRP and that this report concludes the task allotted to it of reviewing the Council's Scheme of Allowances for the four year period 2019-2023.
52. In accordance with the regulations it will be necessary for the Council to reconvene the IRP in Autumn 2022 to review the allowances to be set for the successive Council in 2023; however, should a significant change be made to the decision making structure in the meantime, it may be necessary to convene the IRP at that time to consider the impact on Councillor Allowances.

Clive Mills
Margaret Sandra
Edward Stone

December 2018

Table of Allowances – 2019/20

Allowance	Current £	2019/20 £
Basic Allowance (ALL 38 Members)	4387.64	4,475.00
Special Responsibility Allowances:		
Leader of the Council (1)	12814.38	13,071.00
Deputy Leader (1)	3612.63	3,685.00
Cabinet Member (8)	2787.38	2,843.00
Audit and Standards (1)	2039.02	2,080.00
Licensing and General Purposes (1)	2039.02	2,080.00
Overview and Scrutiny (1)	2787.38	2,843.00
Planning (1)	2787.38	2,843.00
Other Allowances:		
Political Group Leaders (currently 2)	436.71	445.00
+ Per Group Member	75.86	77.00
Dependent Allowance	10.00	11.00
Childcare Allowance	8.00	9.00
Broadband Allowance	200.00	0
Co-Optees (Standards Related Matters):		
Independent Persons (3)	340.00	361.00
Town and Parish Representatives (2)	200.00	204.00
Subsistence Allowances:		
Breakfast	5.00	5.50
Lunch	7.00	7.70
Tea	3.00	3.30
Dinner	10.00	11.00

List of final recommendations:Recommendation 1:

That the current Basic Allowance be increased by 2% in line with the 2018/19 staff pay award for 2019/20 and thereafter each subsequent year during the next four years in line with the staff pay award agreed in the previous year.

Recommendation 2:

That following each annual increase, the amounts are rounded either up or down to the nearest full pound.

Recommendation 3:

That the current Broadband Allowance of £200 be withdrawn from May 2019.

Recommendation 4:

That the dependent / childcare allowances be increased to £11.00 and £9.00 per hour respectively and that specific reference be made in the Allowance Scheme regarding the qualifying period.

Recommendation 5:

That the current SRAs be increased by 2% in line with the 2018/19 staff pay award for 2019/20 and thereafter each subsequent year during the next four years in line with the staff pay award.

Recommendation 6:

That following each annual increase, the SRA amounts are rounded either up or down to the nearest full pound.

Recommendation 7:

That specific provision is included within the Members' Allowance Scheme to prohibit two SRAs being paid to one Member.

Recommendation 8:

That the allowances paid to the "co-optees" be increased by 2% for 2019/20 only and NOT be subject to an annual increase.

Recommendation 9:

That Travelling Allowances for both the approved mileage and passenger mileage rates be fixed in line with HM Revenue & Customs 'Approved Mileage Allowance Payments' from 2019-2023.

Recommendation 10:

That each of the subsistence allowances, breakfast, lunch, tea and dinner be increased by 10% for the period 2019-2023.

Recommendation 11:

That the Council considers the concept of a shadow Cabinet system during the life of the forthcoming Council.

Recommendation 12:

That the Council considers the physical and mental well-being of Councillors and how these can be supported, if required.

Recommendation 13:

That the Council actively promotes the Allowance Scheme and provisions contained therein to all Councillors and prospective Councillors through the website and pre-election candidate material.