

Horsham Independent Remuneration Panel

Interim Report - August 2023

Background

In accordance with the Local Authorities (Members' Allowances) Regulations 2003 (the Regulations), the Authority has established an Independent Remuneration Panel (IRP) to make recommendations regarding allowances paid to members. This panel is required to review the Authority's scheme of allowances at least every four years.

The current panel consists of three members: Cinzia D'Amico, Martin Loates and Alan Ladley. Their biographies can be found at Appendix A.

The last report from the IRP was presented to the Authority in April 2021 and made the following recommendations:

- The Basic Allowance, payable to all members, to be increased by 5%
- The Special Responsibility Allowance (SRA), payable to the Leader of the Council, to be increased by 10%
- A 10% reduction in the SRA paid to the Minority Group Leader
- A £50 per meeting payment to be paid to members officially representing the Authority on external bodies in an appointed capacity
- Dependants' Carers' Allowance to be set at the rates of the National Living Wage for the provision of childcare and the WSCC domiciliary care rate for specialist care
- Allowances for all other SRAs, for those members with additional responsibility, was to remain at the rate previously set
- Travel and Subsistence Rates were to continue in line with those set for authority officers
- Allowances were to be increased annually in line with the Local Government staff pay awards set nationally.

At Full Council, the Authority accepted all the recommendations but delayed implementation for 12 months. Accordingly, the recommendations took effect from May 2022. The full report, together with the allowances paid, can be found on the Authority's website.

The Authority also agreed that the IRP would undertake interim reviews to consider any relevant changes to the legislation or structure of the Authority which may impact on the allowances payable.

2022/23 pay award

In November 2022, agreement for the annual pay award for Local Government staff for 2022/2023 was set at a fixed sum of £1,925 regardless of position on the pay scale. To consider the impact this settlement would have on members' allowances, the IRP was reconvened and tasked with recommending a solution for the Authority.

In January 2023, the IRP presented a report to Full Council proposing that the median point of the staff pay scale be used to calculate a percentage increase based on the £1,925 award.

For Horsham District Council, this equated to a 4.9% increase. The IRP recommended that the Basic Allowance, the Special Responsibility Allowances, and the Co-optees / Representatives Allowances be increased by 4.9% and backdated to April 2022. This was approved by Members at the meeting. A copy of this report is found at Appendix B.

Other issues

The panel was also tasked with reviewing other issues happening nationally or within the Authority which may require a change to the allowances payable to members. Accordingly, the panel has met on several occasions and would make the following comments.

Under the Regulations, the Authority may make minor amendments to its scheme of allowances at any time, however where it plans to change its executive arrangements for alternative arrangements or vice-versa (Cabinet system or a committee system), then the scheme should be revoked, and new recommendations made by an IRP. This is not currently the case with Horsham and therefore the panel does not see the need to review the current scheme in its entirety.

Additionally, the panel has reviewed the allowances paid by similar authorities as detailed in the South East Employers annual matrix. We are satisfied that the levels of allowances are broadly in line with such authorities in the region with no noticeable variances meriting further consideration. An extract of the SEE matrix from the 2022 report showing the eight similar authorities is at Appendix C for information.

The local elections held in May 2023 have resulted in several new councillors being elected and several of the post holders of roles attracting an SRA change. Therefore, with this volume of change, the IRP believes it to be too early to fully review the workload and responsibility involved in the varying roles. This will be more viable at the time of the next full review proposed in 2025.

One area from the 2021 review where we feel further clarity is still required is the establishment of a definitive list of the external bodies councillors are expected to represent the Authority in an official capacity. Without this list, the payment of the allowance agreed in the 2021 review cannot be monitored.

Recommendation – The Authority to complete the list of approved external bodies members represent the Council on.

Allowances for parish councillors

When the panel was tasked with this interim review, we were asked to consider the position of allowances for Parish Council members. Under the Regulations, Parish (and Town) Councils can pay a 'parish basic allowance' to either their Chair or all members as well as with travelling and subsistence allowances. To progress this, a Parish Remuneration Panel (PRP) should be established, consisting of members of the District Panel. Recommendations made by the PRP for the payment of a basic allowance to parishes should be expressed as a percentage of the district basic allowance and would need to be presented to the District Council for final approval.

This panel believes this work to be of importance and with considerable impact on the parishes and their councillors. It is appropriate for the Horsham IRP to undertake this for the Horsham District and would propose to include it as part of the next full review which is due in 2025. In light of the high numbers of parishes and councillors it will necessarily be of a lighter touch than the main review but will include the views of parish chairs and councillors and well as officers and members of the Horsham District Council. We would also consider any payments made by similar authorities.

Recommendation – The Horsham IRP be tasked with undertaking a review of parish allowances in conjunction with the next full review.

National negotiations are still underway regarding the pay award for local authority staff for 2023/2024. Should the usual percentage increase be awarded, then in accordance with the previously agreed recommendation, this will be applied to the scheme of allowances by the Authority subject to the formal agreement by members at Full Council.

If, however, another fixed sum is to be paid to staff as last year, then the panel recommends that the same calculations be made as before based on the median pay point to achieve a percentage figure. This suggested increase in the basic allowance, the SRAs and the external body allowance should be proposed to Full Council for consideration without the need to involve the IRP.

In both cases it would be for the Full Council to decide whether any increase should be backdated, normally to the start of the financial year when the national staff pay award was to commence. However, considering the changes in the number of councillors as a result of the local elections held in May 2023, it may be considered more pragmatic to backdate any such increases in the scheme for this year to the start of the municipal year, i.e., 24th May 2023.

The panel proposes that these approaches to index linking the scheme of allowances for members continue in future years. We understand that if this approach is agreed then the constitution may need to be amended accordingly.

Recommendation – the Authority’s constitution be amended to allow for index-linked allowance increases for members in line with officers, whether a percentage rise or a fixed sum.

Subject to there not being any major changes to the arrangements for the operation of the council, then the IRP does not see the need for further interim reviews before the required full review in 2025. We suggest the IRP be reconvened late summer 2024 with a view to a report being presented to Full Council in spring 2025.

Cinzia D’Amico

Martin Loates

Alan Ladley