

Report to: **Governance Committee**

Date: **19 September 2017**

By: **Assistant Chief Executive**

Title of report: **Review of Members' Allowances**

Purpose of report: **To consider the proposals recommended by the Independent Remuneration Panel**

RECOMMENDATIONS

The Governance Committee is recommended to recommend the County Council to:

- 1) approve the changes set out in the report of the Independent Remuneration Panel; and**
 - 2) delegate authority to the Assistant Chief Executive to amend the Scheme of Allowances to reflect any changes agreed and to update the list of bodies to which the County Council makes appointments as set out in Annex 1 of the Scheme of Allowances to reflect the current position**
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1. Background Information

1.1 The Independent Remuneration Panel is required, by the Local Authorities (Members' Allowances) (England) Regulations 2003, to make recommendations to the Council on allowances paid to Councillors. In 2013, the Council agreed that the Panel be asked to review the Scheme every 4 years in accordance with the Regulations unless the Assistant Chief Executive considers that there is a change in circumstances that justifies an earlier review or a request is received from a Group Leader.

1.2 The Independent Remuneration Panel was appointed by the Governance Committee in April 2014 and consists of three members, Rosey Eggar, Duncan Keir and Fiona Leathers.

1.3 As part of their review the Independent Remuneration Panel took into account information provided including comparative information from other County Authorities.

1.4 Bearing in mind the uncertainties regarding elections and the importance of capturing the views of experienced Members all councillors were contacted, both before and after the County Council elections, regarding the review of the allowances scheme and given an opportunity to submit written representations and/or to make representations in person to the Panel. A summary of the written comments received is attached to the Panel report.

1.5 A copy of the Independent Remuneration Panel report is attached at Appendix 1. The current Members' Allowances Scheme is set out in Part 6 of the Constitution.

1.6 The Independent Remuneration Panel is required to review allowances based on the facts and information provided to it. The Governance Committee are asked to make recommendations to the County Council on whether to accept, reject or modify the recommendations. Councillors are required to give due consideration to the recommendations of the Panel but are not bound by them.

2 Financial Appraisal

2.1 The Panel were aware of the financial constraints affecting the Council over the next four years and have taken the view that they would only make recommendations that would be

achievable within the existing budget and for the reasons set out in paragraph 2.2 with no additional cost.

2.2 The net cost of implementing the Panel's recommendations would be met from within existing budgets. The recommended increases amount to £68,300 and are offset by a £74,000 saving in the Council contribution to the Local Government Pension Scheme for councillors who were members of the Scheme.

3. Summary of findings

3.1 The Regulations allow for the Members' Allowances Scheme to make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority. Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the Independent Remuneration Panel. For the last four years the allowances have been indexed to the percentage increase in the salaries of managers who are on locally negotiated pay

3.2 The Independent Remuneration Panel recommend in their report that the annual increase in allowances continues to be linked to the LMG managers increase.

3.3 The Independent Remuneration Panel took the view that the basic allowance currently paid to members is comparable with other similar authorities. However, there were a number of factors considered by the Panel that resulted in the Panel recommending an increase in basic allowance. The proposed increase in basic allowance reflects a number of issues including: the aim of encouraging a broader cross section of the community to stand for election; changes in relation to the Local Government Pension Scheme; and changes in broadband/telephone line provision, home printing and subsistence after meetings.

3.4 The Panel has also proposed an increase in the SRA payable to the Leader of the Council. This recommendation was made, following analysis of other authorities, on the basis that the current SRA to this post (being a multiplier of 2.2 of the level of basic allowance) was significantly below the range of multiplier commonly used (multipliers of between 2.8 and 3.2) and that the current SRA did not reflect the responsibility and role of the post.

3.5 In addition to Basic Allowances and SRAs, the Panel considered other aspects of the allowances scheme including subsistence levels, travel and carers' allowance

3.6 The Panel are recommending:

- a) The continued use of an index to allow for annual increases in basic and special responsibility allowances and that this index should continue to allow for allowances to be updated annually in line with the percentage increase in salaries for managers who are locally negotiated pay
- b) The basic allowance increase to £12,300
- c) The SRA payable to the Leader of the Council should be based on a factor of 2.8 of the level of basic allowance
- d) The SRA for the Deputy Leader and other Cabinet members should remain unchanged
- e) The SRA for Chairs of Scrutiny Committees and Planning Committee should remain unchanged
- f) The SRA for the Chairman and Vice Chairman should remain unchanged
- g) All other SRA should remain unchanged
- h) The basic mileage rate and supplement for passengers should remain at 45p and 10p per mile respectively
- i) The dependent carers allowance should remain at the actual cost up to £10 per hour
- j) Co-optees should continue to be able to claim mileage for travel to meetings

3.7 The Independent Remuneration Panel recommends that all changes to allowances are effective from 8 May 2017.

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Local Members: All
Background Docs: none

