

East Sussex County Council

Report of the Independent Remuneration Panel 2017

**1. Background**

1.1 The County Council is required, by the Local Authorities (Members' Allowances) (England) Regulations 2003, to have regard to the recommendations of the Independent Remuneration Panel in making amendments to the scheme of allowances paid to Councillors. In March 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. The Panel must produce a report making recommendations on:

(a) the responsibilities or duties in respect of which the following should be available:

- (i) Special Responsibility Allowances (SRA);
- (ii) travelling and subsistence allowance; and
- (iii) co-optees' allowance;

(b) the amount of such allowances and as to the amount of basic allowance;

(c) whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;

(d) 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);

(e) 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.

1.2 Since the last review of the scheme, allowances have risen annually in line with those of the Local Managers Pay (LMG).

1.3 Legislation requires that the index used for the purpose of annual adjustment of allowances must be reviewed after a maximum period of four years. As the scheme of allowances has not been reviewed for the same period, the Panel has considered the entire scheme. There have been no significant changes to the structure of the Council since the existing scheme was introduced.

1.4 Any changes agreed by the County Council in relation to the scheme of allowances would be backdated to 8 May 2017.

## **2. The principles of the East Sussex scheme**

2.1 The Panel has previously used the following principles when framing its recommendations:

- The review should take into account the value of the work undertaken by Members of the County Council and of the functions carried out by the Council.
- The system of allowances should acknowledge that public service, rather than material reward, should remain the primary motivation for involvement in local government.
- The scheme should be fair in terms of relevant comparisons with other public bodies.
- The system for the payment of Members' allowances should be simple to understand and administer.
- The scheme for Members' allowances should take into account the desirability of attracting people to take part in local government who reflect the population of East Sussex.
- The scheme should have regard to statutory guidance and relevant comparative information including local wage rates.
- SRAs should only be paid to reflect significant and exceptional additional work.

2.2 The Panel agreed that these principles should continue to be used when considering the Members' Allowances Scheme.

## **3. The review process**

3.1 The Panel met during 2016 to plan, review, consider information and to interview councillors. It was however felt appropriate that the Panel's report should not be finalised until after the Council elections in 2017 to allow newly elected councillors to have an opportunity to have an input into the review. Both in 2016 and in June 2017 all councillors were contacted regarding the review of the allowances scheme and given an opportunity to submit written representations and/or to make representations in person. A summary of the written representations received is attached at Appendix 1.

3.2 The Panel is required to review allowances based on the facts and information provided to it.

3.3 Given the current financial climate, the Panel was minded to ensure that any recommended changes to the scheme of allowances are made within the existing budget. The net cost of implementing the Panel's recommendations would be met from within existing budgets. The recommended increase in basic allowance (£50,000), the increase in the Leader's SRA (£9,300) and the increase in the Council's National Insurance contribution (£9,000) are offset by a £74,000 saving in the Council contribution to the Local Government Pension Scheme (LGPS) for councillors who were members of the Scheme

3.4 The written representations received are attached as Appendix 1 and include the following:

- 1) Pension provision will cease for county councillors from May 2017.
- 2) The current position regarding SRAs for the spokespersons for the largest opposition group.
- 3) Basic Allowance should be increased in an attempt to make the role more attractive to young and working age individuals.
- 4) Consideration to be given to the Basic Allowance in view of decisions taken to move to paperless meetings and to stop providing lunches for Members at meetings of council bodies.

#### **4. The Scheme of Allowances**

##### **4.1 Annual increments for all allowances**

The Panel has previously agreed that the all Member allowances rise incrementally each year in line with increases awarded to the East Sussex County Council Local Manager Group. Over the last six years, these have been:

Year	Percentage increase in allowances
2017/2018	1%
2016/2017	1%
2015/2016	1.19%
2014/2015	1%
2013/2014	1%
2012/2013	0%

4.2 Having reviewed the position the Panel see no reason to change the provision for annual increments and recommend that:

- **The basic and special responsibility allowances continue to be adjusted annually in line with the Local Manager Group pay award**

## 5. Basic Allowance

5.1 The Panel considered all statements presented and compared the allowance with other similar county authorities. These included neighbouring authorities and those of a similar size.

5.2 The basic allowance for these authorities at the time of the Panel's report being finalised was as follows:

<b>County Council (in order of population size)</b>	<b>Basic Allowance</b>
Kent	£14,725
Essex	£12,000
Hampshire	£12,003
Surrey	£12,418
West Sussex	£11,414
Oxfordshire	£10,000
Cambridgeshire	£10,315
<b>East Sussex</b>	<b>£11,303</b>
Buckinghamshire	£11,454

5.3 This table shows that the East Sussex County Council basic allowance is comparable with other authorities. However, the Panel was of the view that the level of basic allowance was not sufficient to encourage a broader, more representative range of people to stand for election. The Panel concluded that the basic allowance should be increased to reflect this view.

5.4 In considering the level of basic allowance, the Panel reflected on the fact that from May 2017 ESCC councillors would no longer be eligible to be members of the Local Government Pension Scheme (LGPS) and considered the representations received in relation to this issue. The Panel considered that removal of the ability for councillors to be members of the LGPS could have a negative impact on councillors and could possibly impact on the aim of encouraging a more diverse range of people from seeking election. The Panel concluded that the level of basic allowance should be increased in view of the LGPS changes for councillors.

5.5 The Panel noted representations made in relation to printing at home and the fact that lunches were no longer provided after formal meetings. The Panel concluded that it did not wish to recommend a subsistence allowance which would create an administrative cost and potentially reduce transparency

but was of the view that the fact that lunches were no longer provided should be reflected in the basic allowance. The Panel supported a move away from the provision of telephone lines (councillors are now provided with a corporate mobile phone), the provision of a broadband line (laptops/hybrid/tablet devices issued to councillors being 3G enabled) and that corporate printers were no longer for use in councillors homes. The Panel was minded to reflect these changes in determining the level of basic allowance.

5.6 In proposing an increase in basic allowance, the Panel wished to clarify that the increase was to reflect a number of issues including:

- the aim of encouraging a greater cross section of the community to stand for election, in particular more women and younger people
- changes in relation to the Local Government Pension Scheme
- changes in relation to broadband/telephone line provision, subsistence provision after meetings, home printing

5.7 The proposed increase would also help to ensure that the structure and payment of allowances was simple to understand and administer.

**5.8 The Panel recommends that the basic allowance increase to £12,300 with effect from 8 May 2017**

## **6. Special Responsibility Allowances (SRAs)**

6.1 In reviewing the SRAs the Panel considered various representations that had been made and was mindful of the principle that SRAs should only be paid to reflect significant and exceptional additional work.

6.2 SRAs are currently paid in respect of the following roles:

<b>Role</b>	<b>No.</b>	<b>Amount (per councillor)</b>
Leader	1	£25,113
Deputy Leader	1	£17,578
Other Cabinet Members	6	£15,068
Scrutiny Chairs	5	£6,277
Chair of Planning Committee	1	£6,277
Chairman of the County Council	1	£12,554
Vice-Chairman of the County Council	1	£5,026
Leader of the largest Opposition Group	1	£12,554

Deputy Leader of the largest Opposition Group	1	£3,262
Leader of the second largest Opposition Group	2	£5,026

#### Leader of the Council

6.3 The Panel noted that many authorities used a multiple of the basic allowance in relation to the SRA payable to the Leader of the Council. The norm is for this multiple to be in the range of 2.8 to 3.2. The Panel considered that the SRA payable to this post at ESCC was significantly below this multiple (currently the Leader of the Council's SRA was a multiple of approximately 2.22 of the basic allowance) and was at a level that did not adequately reflect the responsibility and work required of the postholder.

**6.4 The Panel recommends that the SRA for the Leader of the Council should be based at the bottom of the range on a factor of 2.8 of the level of basic allowance with effect from 8 May 2017**

#### Opposition Spokespersons

6.5 An allowance was previously paid to opposition group spokespersons but in 2010, the Panel recommended that SRAs should only be allocated to opposition spokespersons holding the roles of: leader and deputy leader of the largest opposition group, and the leader of the second largest opposition group.

6.6 At the request of the largest opposition group, this matter was reviewed by the Panel in 2012. The Panel concluded that the outlined responsibilities of opposition spokespersons were in effect representative of all elected Members and did not warrant an SRA. As part of the current review, the Panel was requested to consider whether an SRA should be paid to opposition spokespersons.

6.7 Given the principle to minimise the number of Councillors receiving special responsibility allowances and only for significant levels of work, the Panel recommend **that there should be no change to the SRAs currently paid - SRAs would be payable to the Leader and Deputy Leader of the largest opposition group and the Leader of the second largest opposition group**

#### Deputy Leader and other Cabinet members

6.8 The Panel recognise the significant level of responsibility and complexity of work carried out by cabinet members and recommend **that the SRAs for the Deputy Leader and other cabinet members should remain unchanged**

## Chairs of Scrutiny Committees and Planning Committee

6.9 The Panel recommend **that the SRA for Chairs of Scrutiny Committees and the Planning Committee remain unchanged.**

## Chairman and Vice Chairman of the County Council

6.10 The Panel recommend **that the SRA for Chairman and Vice Chairman of the Council remain unchanged**

## Other special responsibility allowances

6.11 Whilst appreciating the time, commitment and energy that councillors invest in other specialist work, the Panel recommend **that all other SRAs remain the same**

6.12 In 2012 the Panel recommended that no SRA should be paid to the Chair of the Shadow Health and Wellbeing Board. Since that time, the status of the Board has been formalised. **Having considered the role of this post the Panel concluded that no SRA should be payable to this post at the current time. The Panel would be happy to review this matter again in the future if requested to do so.**

## 7 Travel and subsistence

7.1 The basic mileage rate (45p per mile) reflects the rate recommended by the Inland Revenue. The current scheme also allows for an additional payment of 10p per mile for each passenger carried to encourage car sharing and to reduce pressure on parking.

7.2 The Panel recommends **that the basic mileage rate and supplement for passengers remain at 45p and 10p per mile respectively**

## 8. Dependent carers allowance

8.1 The Panel considered current fees and recommends **that the dependent carers allowance should remain unchanged at the actual cost up to £10 per hour.**

## 9. Co-optees' Allowance

9.1 The Panel noted that all co-optees are currently able to claim mileage for their travel to meetings of their respective bodies or to boards when appointed. The Panel recommends that **this remain unchanged but that no other allowance should be payable**

## **10. Other issues**

### ***Home printers and photocopying***

10.1 The Council has previously provided home ink-jet printers and associated supplies of ink and paper to Councillors to carry out their councillor-related duties.

10.2 In recent years, the need for Members to retain a personal home printer to carry out their duties as councillors has reduced significantly. This is due to a number of factors:

- Councillors are now able to use a variety of printers in Council buildings across East Sussex. These are significantly cheaper to operate than home printers and, with technology such as “follow-you printing”, can be used safely for confidential material.
- A Members’ ICT questionnaire (2015) demonstrated a dramatic increase in the use of email over letters to communicate with constituents in recent years.
- It makes financial and environmental sense to minimise printing, and so the Council moved to ‘paperless’ meetings with effect from April 2016.

10.3 However, some Councillors have indicated that they need to have printed papers and/or the use of a home printer to carry out their work as a Councillor. The Panel would support a proposal that home printers or supplies to Councillors be no longer supplied (with effect from 8 May 2017) and has proposed an increase in basic allowance to reflect this (see paragraph 5).

### ***Provision of home landline and broadband services***

10.4 Currently, some Councillors, but not all, are provided with telephone lines and broadband lines. Given that Councillors are now offered a mobile phone or a ‘smartphone’ and all laptops/tablets/hybrid devices issued to Councillors have the option of being 3G enabled so that Councillors can access information at home and on the move, the Panel would support the discontinuation of all landlines and wired broadband to councillors with effect from May 2017.

## **Representation on the Council**

10.5 The Panel recommends that the political groups and the Council be proactive in encouraging a greater cross section of the community to stand for election in order to increase the diversity of councillors on the Council.

## **Effective Date**

The Panel recommends that **all recommended changes to allowances are effective from 8 May 2017 subject to the agreement of the County Council**



## **Conclusion**

The Panel would like to thank the councillors for their contributions and views in assisting the Panel to reach its decisions.

Fiona Leathers (Chair of the Panel)

Rosey Eggar

Duncan Keir

## Written comments received from County Councillors

Appendix 1

No comment at this stage
The Panel should be reminded that the pension provision for Councillors is not available for many Councillors and for those remaining in the scheme it will cease in May 17. This means that Councillors will have to make such pension provision without any contribution from the County Council.
In relation to Members Allowances, I wish to suggest that, on a day when there is a meeting in the morning and afternoon, that members should be allowed a sum of say £5.00 to buy a sandwich and a drink. It doesn't seem right that we have to survive all day on a coffee and a biscuit. There have been several meetings when not even coffee and water are supplied As we now have to go paperless, I think we should be reimbursed for stationery items we have to employ at home ie if we want to print off papers, there should be some allowance for cartridges, and copy paper
I think it would be helpful if the panel were to look at the former position of allowances for the Shadow Cabinet.
Linking any uplift in members allowances to any increases given to staff seems the right way forward in my opinion. Simple, straightforward and transparent!
I might make the comment that since Government has reduced County Councillors ability to participate in a LG pension scheme from the 2017 elections and that from the same time we will be restricted in terms of expenses for Home to County journeys. Local members from the Panel may well wish to make a more generous contribution to the remuneration package for those so committed to the benefit of the Residents of East Sussex.
My issues are that: hard working members are paid the same as members who only turn up occasionally to full council and then do not stay for the whole session; the remuneration does not compensate young (working age) councillors to take time off from employment resulting in a council of retired and elderly members
I would like the opportunity to be interviewed by the panel. My concern is that the low remuneration and the increasing time commitment result in a very elderly council membership. The very few younger councillors cannot get time off work to attend many day time meetings and certainly their employers will not allow unpaid leave. Hence the tendency leans towards a council formed of those who are retired and on reasonable pensions and those who may have other private income. The recent council elections also revealed the low number of candidates across all parties and those standing as independent who were under 40 years of age. This is a very late response to your email of December 17. Perhaps it

is too late but I have the following observations.

- 1 The elderly average of councillors is of grave concern, it does not represent the young people, those in full-time work and is unbalanced in terms of gender and ethnic minority;
- 2 Of the councillors, I understand only three are in full time employment. I understand that employers will only give time off for full council which results in these councillors (the younger ones) cannot attend committees. Others supplement their income from posts at District and Borough and while this may facilitate communication between different levels of local government, it does lead to a confusion of roles and
- 3 Declaration of interests at times.
- 4 Others may supplement their income through being associated with businesses or companies that were their former employer. Again interests may not be entirely transparent.
- 5 As a result, the work of the councillors is unequally shared between those who see ESCC as their primary commitment and those who do not. Those "full-time" councillors build good relations with officers and councillor colleagues, often cross party, while the others, a substantial number do not and become further disconnected.
- 6 The pay of councillors is vastly disproportionate. If accounts of the former leaders income plus expenses were over 100k pa is true, then the pay to back bench and even shadow cabinet members is paltry and does not encourage young and very able young people to stand as candidates.

I would like to see a situation like the Republic of Ireland where local government reform is more transparent.

Were counties had been divided into Ridings, they are now amalgamated.

Councillors pay begins around 40,000 Euros, but councillors are considered full time and discouraged from any further employment.

This results in a more evenly distributed age and former income group.

Thank you for making me aware of this opportunity. The issue that I would like the panel to consider is the reinstatement of SRAs for the Shadow Cabinet members. The reason for this is that those who hold these responsibilities not only have to ensure that they are fully briefed on issues which means meetings with Chief Officers but also liaise with members of the public, often outside of their own area who are concerned about the decisions which are to be made and wish to speak to a Councillor who is not part of the Administration. This can of course not only take up time but also involve travelling to other parts of the County.

Now is not the time to be making any changes other than reducing

Is it right, in this time of austerity, for Cabinet members, who are also office holders in other authorities and so also receiving an allowance from that authority, to receive an allowance the same as those who are not.

