

REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 1 March 2022. Attendances:

Councillor Glazier (Chair)
Councillors Bennett, Collier, Simmons and Tutt

1. Pay Policy Statement

1.1 The Localism Act 2011 requires local authorities to formulate and publish a pay policy statement on the pay of its Chief Officers and the relationship between these pay levels and the rest of the workforce, excluding schools. This policy statement has to be approved annually by full Council by 31 March.

1.2 At its meeting on 27 March 2012, County Council agreed that the Governance Committee should have formal responsibility for the approval of posts at Chief Officer, Deputy Chief Officer and Assistant Director level with a remuneration package of £100,000 or more, provided the existing grade bands and terms and conditions are applied and any proposed exceptions to these are reported to full County Council. The actual appointment decision will continue to be made using existing delegations. Any proposed exceptions to this would require the approval of the full County Council.

1.3 The Localism Act 2011 requires local authorities to prepare an annual pay policy statement relating to the remuneration (total pay package) of its Chief Officers, as defined by statute, Deputy Chief Officers (and, by definition, Assistant Directors), the Monitoring Officer and its lowest-paid employees, excluding schools. The pay policy also has to state the relationship between the remuneration of Chief Officers and the remuneration of its employees who are not Chief Officers.

1.4 The Hutton report on Fair Pay in the Public Sector recommended the publication of an organisation's pay multiple as a means of illustrating the relationship between the remuneration arrangements for Chief Officers in comparison with the rest of the non-schools workforce. This is a calculation in the form of a ratio between the median average earnings across the organisation and the highest paid employee. The ratio is currently (March 2021) 6.89:1. The pay multiple is published on our website with the Pay Policy Statement and will be updated in March 2022.

1.5 It is necessary to include definitions and the authorities' policies relating to levels and elements of remuneration including all additional payments and benefits in kind. The statement must also indicate the approach to the payment of Chief Officers on ceasing employment, including eligibility for the award of additional pensionable service and on the engagement or re-engagement of Chief Officers previously made redundant or accessing a local government pension.

1.6 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 placed a new requirement on all employers with 250 or more employees to publish gender pay data on the gov.uk website by 30 March each year. The median gender pay gap for 2021/22 is 13.9%; the gender pay report for East Sussex County Council is published on our website, along with the Pay Policy Statement.

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1.7 The Committee recommends the County Council to:

- ✧ approve the updated Pay Policy Statement for 2022/23 as set out in Appendix 1

2. Review of the Scheme of Allowances for Members

2.1 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 2017, 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.

2.2 The Independent Remuneration Panel was appointed by the Governance Committee in April 2019 and consists of three members, Daphne Bagshawe, Duncan Keir and Fiona Leathers.

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

2.4 In order to capture the views of Members, all councillors were contacted regarding the review of the Scheme of Allowances 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's report. A questionnaire was also sent to all councillors in order to gain some insight regarding the time spent on various activities related to the role of a councillor. As part of its deliberations, the Panel considered the responses received.

2.5 A copy of the Independent Remuneration Panel report is attached at Appendix 2. The proposed Members' Allowances Scheme is attached at Appendix 3. The proposed Scheme reflects current rates and as such are pending the outcome of LMG pay award, so will increase for 2021/22 and 2022/23 in line with the index agreed by Council.

2.6 The Independent Remuneration Panel is required to review allowances based on the facts and information provided to it. Councillors are required to give due consideration to the recommendations of the Panel but are not bound by them.

Summary of findings

2.7 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. The Independent Remuneration Panel recommend that the annual increase in basic and special responsibility allowances continues to be linked to the pay award to LMG managers.

2.8 Having reviewed the level of basic and special responsibility allowances currently paid the Panel recommends that the level of these allowances remain unchanged (subject to the pending increase in line with indexation provision).

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2.9 In addition to Basic Allowance and Special Responsibility Allowances (SRA), the Panel considered other aspects of the allowances scheme including subsistence levels, travel and dependent carer's allowance and recommend that these remain unchanged.

2.10 In summary, the Panel has recommended:

- a) The continued use of an index to allow for annual increases in basic and special responsibility allowances for 2022/23 and beyond and that the index be the pay award for LMG managers
- b) The basic allowance should remain unchanged
- c) The SRA payable to the Leader of the Council should remain unchanged
- d) The SRA for the Deputy Leader and other Cabinet members should remain unchanged
- e) The SRA for Chairs of Scrutiny Committees, the Audit Committee, Pension Committee and Planning Committee should remain unchanged
- f) The SRA for the Chairman and Vice Chairman of the Council should remain unchanged
- g) All other SRAs should remain unchanged
- h) The basic mileage rate and supplement for passengers should remain at 45p and 10p per mile respectively and that the bicycle allowance remain at 20p per mile
- i) The dependent carers allowance should remain at the actual cost up to £15 per hour
- j) Co-optees should continue to be able to claim mileage for travel to meetings and continue to be able to claim dependent carer's allowance

2.11 The Independent Remuneration Panel recommends that the new scheme is effective from 1 April 2022.

2.12 The Committee recommends the County Council to approve:

- ☆ 1) the recommendations of the Independent Remuneration Panel at set out in their report; and
- 2) the Scheme of Members' Allowances set out at Appendix 3 (subject to the pending increase in line with indexation provision) with effect from 1 April 2022.

1 March 2022

KEITH GLAZIER
(Chair)