

Report of the Independent Remuneration Panel 2022**1. Background**

1.1 The Independent Remuneration Panel (IRP) is required, by the Local Authorities (Members' Allowances) (England) Regulations 2003, to make recommendations to the Council on 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 The last full review of the ESCC Members Allowances Scheme was in 2021. 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. In October 2021, the County Council agreed the Panel's recommendation that this continue for 2021/22 but when the Panel reviewed the Scheme for 2022/23 consideration be given as to whether an index should be used and, if so, what the index should be.

1.3 Since the review of the scheme undertaken in 2021 there have been no changes to the decision making structure of the County Council.

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 2022 to consider information relevant to the review. 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. A summary of the written representations received is attached at Appendix 1.

3.2 At the Panel's request, a questionnaire was sent to all councillors in order to gain some insight regarding the time spent on various activities related to their role. The responses received were considered by the Panel as part of its deliberations.

3.3 The Panel is required to review allowances based on the facts and information provided to it. Although the Panel is not required to take into account the financial position of the County Council it was mindful of this factor and the impact of coronavirus. It is for County Councillors to decide whether to accept, reject or modify the Panel's recommendations in the light of current budgetary constraints.

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 ESCC LMG managers. Over the last six years, these have been:

Year	Percentage increase in ESCC LMG salaries
2021/2022	Not yet agreed
2020/2021	2.75%
2019/2020	2%
2018/2019	2%

2017/2018	1%
2016/2017	1%

4.2 In reviewing whether an index should be used, and if so what the index should be, the Panel considered the arrangements in place at other County Councils.

4.3 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 neighbouring and other similar sized county authorities.

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

County Council (in order of population size)	Basic Allowance (no. of councillors)
Kent	£15,406 (81)
Essex	£12,000 (76)
Hampshire	£12,833 (78)
Surrey	£12,748 (81)
West Sussex	£12,202 (70)
Oxfordshire	£11,013 (63)
Cambridgeshire	£10,568 (61)
East Sussex	£13,149 (50)

5.3 This table shows that the East Sussex County Council basic allowance is comparable with other authorities and at the current time the Panel is not proposing any increase to the basic allowance.

5.4 **The Panel recommends that the basic allowance remains at £13,149 for 2022/23 (subject to any change arising from the index link to the LMG pay award)**

6. Special Responsibility Allowances (SRAs)

6.1 In reviewing the SRAs the Panel considered 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:

Role	No.	Amount (per councillor)
Leader	1	£36,817
Deputy Leader	1	£18,792
Other Cabinet Members	5	£16,107
Scrutiny Chairs	3	£6,711
Chair of Planning Committee	1	£6,711
Chair of Pension Committee	1	£6,711
Chair of the Audit Committee	1	£6,711
Chairman of the County Council	1	£13,420
Vice-Chairman of the County Council	1	£5,374
Leader of the largest Opposition Group	1	£13,420
Deputy Leader of the largest Opposition Group	1	£3,487
Leader of the second largest Opposition Group	2	£5,374 in total £2,687 for each co-leader
Chairs of Scrutiny Review Boards		£1,341

6.2 **Having reviewed the various SRAs, the Panel recommends that all SRAs remain unchanged (subject to any change arising from the index link to the LMG pay award) and that no additional SRA is payable for other work/roles.**

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. The scheme also includes a bicycle allowance of 20p per mile.

7.2 **The Panel recommends that the basic mileage rate and supplement for passengers remain at 45p and 10p per mile respectively and that the bicycle allowance remain at 20p per mile. The Panel also recommends that the subsistence rates remain unchanged.**

8. Dependent carer's allowance

8.1 The Scheme allows for payment of a dependent carer's allowance of the actual cost up to a maximum of £15 per hour. This was increased from £10 per hour when the Scheme was agreed by the Council in October 2021.

8.2 The Panel recommends that the dependent carer's allowance should be unchanged and remain at the actual cost up to £15 per hour.

9. Co-optees' Allowance

9.1 The Panel noted that co-optees are currently able to claim:

- mileage for their travel to meetings of their respective bodies or to boards when appointed; and
- dependent carer's allowance for the actual cost up to £15 per hour

9.2 The Panel recommends that this remains unchanged and that no other allowance should be payable.

10. Other issues

Maternity and Paternity Leave

10.1 The Panel welcomed the fact that a Maternity and Paternity Leave Policy for councillors had been agreed by the Council in October 2021.

Representation on the Council

10.2 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. It was noted that the basic allowance had increased by nearly 9% in 2017, partly with the intention of encouraging a greater cross section of the community to stand for election.

Effective Date

10.3 The Panel recommends that the Scheme of Allowances for councillors takes effect from 1 April 2022

Conclusion

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

Daphne Bagshawe (Chair of the Panel)
Duncan Keir
Fiona Leathers

Written comments received from County Councillors

Thank you for email, not sure how to reply but didn't want to ignore.

I'm for not increasing the allowances as I feel they are more than adequate for any expenses we incur.

Just my opinion.

Overall I am in favour of members being paid a suitable salary that is weighted to the responsibility of their position. A suitable salary will help to attract a younger member and perhaps a more able member who may consider this as a career choice as long as they are paid for it. There is also the view that a £400 million business being run by a part time board of directors who are not paid will not necessarily provide the best service.

Now, members allowances will always be a political fight and we must take the political sting out of this.

Last year I attended the budget setting meeting of Wealden District Council which is Conservative controlled and the Liberal Democrats are the opposition party. There was a proposal to increase members allowances.

The broad main discussion points were objections from the Liberal Democrats to raising the members allowances as times are hard for the council tax payers and we should show some leadership, join the taxpayer in making sacrifices as some of the tax payers may not be able to afford the tax rises. So we should not vote for a members pay rise. The broad Conservative response was, members work hard for the community and deserve to be rewarded for their efforts. Some members really do need this increase to allow them to continue in their role.

On that very same evening I attended the Budget meeting of Hastings Borough Council which is Labour controlled and the Conservatives are the opposition. There was a proposal to increase members allowances there too.

This time the Conservatives were proposing not to increase members allowances using the exact same arguments and Wealden Liberal Democrats i.e times are hard and we should show some leadership in not voting to increase the members allowances. The responses from the controlling Labour group on HBC were the same as Wealden Conservatives , i.e. members deserve their allowances and some members need the increase to continue in their role.

In both cases the increases in members allowances was voted though by the majority controlling group. It would not be surprising at all if there were other councils in the country with Liberal Democrat control and either Labour or Conservative opposition using the same arguments with the same results.

Three political parties all using the same arguments on allowances, so we must find a way to take the political sting out of this.

Here's what I propose to take the political sting out of it all and be fair to the taxpayer

1. The Independent panel examines all the evidence, sets the allowances using all

the available information with weighting, comparisons with other Councils and Government guidelines. Etc.

2. The increase, if any, takes place after the next election in a 4 year cycle. That way members are not voting themselves a pay rise but are setting up a system for the future. As who knows what the next election will bring? This is a practice that is common in the USA and we should adopt the same premise.