



COUNCIL

Wednesday, 22 May 2019

ADOPTION OF THE MEMBERS' ALLOWANCE SCHEME APPROVED BY THE SHADOW COUNCIL ON 28.2.19

EXECUTIVE SUMMARY

1. The East Suffolk Shadow Council (SC) was established under the East Suffolk (Local Government Changes) Order 2018 (the Order). The SC was responsible for the implementation of the East Suffolk Council (ESC) which came into existence on 1 April 2019, on the abolition of Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC). The SC was required under Article 10 of the Order to formulate proposals for a Members' Allowances Scheme (MAS) for the ESC to adopt.
2. At its meeting on 28 February 2019, the SC formulated proposals for a MAS and approved the recommendations made by an Independent Remuneration Panel (IRP) to it, for a MAS for the ESC to adopt. This was so that the ESC would have a MAS in place on 6 May 2019, when the newly elected Members came into office and could be paid their allowances from that date.
3. The Members of ESC are now asked to adopt the MAS, in accordance with the wording of the Order and the resolution of the SC. It is planned that the MAS will be reviewed again in approximately 6 months time, to ensure that it fully meets the needs of the Council and its Members.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards in the District
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Cabinet Member:	Leader of the Council
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Supporting Officer:	Hilary Slater Head of Legal & Democratic Services and Monitoring Officer 01394 444336 hilary.slater@eastsoffolk.gov.uk
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1 INTRODUCTION

- 1.1 On 24 May 2018, the Government made the Order which came into force on 25 May 2018. It made provision for the abolition of SCDC and WDC from 1 April 2019. It provided for the creation of the ESC on 1 April 2019, in place of both SCDC and WDC. The ESC consists of 55 Councillors, who took office on the fourth day after their election, on 6 May 2019.
- 1.2 During the period from 25 May 2018 until 6 May 2019, known as the “Shadow Period”, the SC for the ESC was created by the Order. The SC consisted of all of the Members of SCDC (42) and all of the Members of WDC (48) (90 total), notwithstanding the abolition of each Council, on 1 April 2019. The SC was responsible for the implementation of the ESC.
- 1.3 Article 10 of the Order says that the SC must formulate proposals for a MAS for adoption by the ESC. This was considered by the SC at its first meeting, on 4 June 2018. Item 6 and Paper REP1 (SH) on the agenda of the SC meeting of that date, entitled “Creation of a Shadow Authority”, refers to the need for a MAS to be formulated for the ESC to adopt.
- 1.4 The Local Government (Members’ Allowances) (England) Regulations 2003 (the 2003 Regulations) usually apply in the formulation of such a scheme. The 2003 Regulations require the appointment of an IRP to make recommendations as to the contents of any such MAS to be adopted.
- 1.5 In formulating proposals for the ESC to adopt as a MAS, the SC decided that it would be of assistance if an IRP was asked to consider this. If an IRP was to put forward proposals to the SC, it would provide some element of independence and review, before those proposals, if acceptable, were then put to the ESC. The Local Authorities (Members Allowances) (England) Regulations 2003 (the Regulations) require local authorities to have an approved MAS in place for the payment of allowances to Elected Members.
- 1.6 The IRP consisted of three independent lay people drawn from a pool which SCDC and WDC had jointly recruited to, in 2014. The IRP were asked to carry out a light touch review of the existing MAS for both SCDC and WDC, in order to formulate proposals for a MAS for the SC to consider.

2 ADOPTION OF A MEMBERS ALLOWANCE SCHEME

- 2.1 The SC considered Report REP 39 (SH) at its meeting of 28 February 2019 and resolved that “the report of the Independent Remuneration Panel, containing recommendations for a Scheme of Members’ Allowances for the East Suffolk Council to adopt, be approved”.
- 2.2 The SC has formulated proposals for a MAS for the ESC to adopt. This was so that newly elected Members of the ESC could be paid their allowances from when they took office on 6 May 2019. Also, the Regulations require that the ESC must have a MAS. The MAS which was approved by the SC has been included in the ESC’s Constitution- see Part 5 of this document. It is a requirement of the Order that the ESC formally adopt the MAS.

3 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?

- 3.1 It is important that all of the policies and procedures in place to support Councillors to undertake their role are regularly reviewed to ensure that they continue to be appropriate and meet the needs of the ESC. The formulation of proposals for a MAS for the ESC to adopt is a statutory requirement of the Order. It will ensure that ES Councillors are paid an appropriate allowance for the roles which they undertake for the ESC, the establishment of which will bring about significant efficiency savings, as set out in the East Suffolk Business Plan.

4 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 4.1 The SC had regard to the recommendations in the IRP report prior to agreeing to these proposals for a MAS for the ESC to adopt. The proposals agreed by the SC are set out in 4.5 below, subject to two points of clarification which are provided in paragraph 4.7 and 4.8.
- 4.2 The budget for BAs from SCDC and WDC was £517,000 and this has been maintained within the first ESC budget. The proposals from the IRP were that all 55 Members receive a basic allowance of £4,883.40, which will cost £268,587 (see Table 1 below), a reduction of £248,413. The budget for BAs will be revised as part of the 2020/21 budget setting process, following the further, more in depth, review of Members' Allowances which is to happen during the second part of 2019/20 financial year.
- 4.3 The budget for SRAs from SCDC and WDC was £228,200 and this also has been maintained within the first ESC budget. The proposals from the IRP are shown below in Table 1 and total £124,692.72, which is a reduction of £103,507.28.
- 4.4 It was assumed by the IRP that the Cabinet would consist of 10 members (Leader, Deputy Leader and eight Cabinet Members), there would be six Chairmen and Vice-Chairman of Committees (Scrutiny, Audit & Governance, Licensing, Strategic Planning, North Planning and South Planning).
- 4.5 It will be for the new Leader of ESC to determine the exact number of members in the Cabinet and whether there will be Assistant Cabinet Members. The budget for SRAs will be revised as part of the 2020/21 budget setting process, following the further, more in depth, review of Members' Allowances which is to happen during the second part of 2019/20 financial year.

Table 1 - Basic and Special Responsibility Allowances

Description of Allowance	Amount	No. of Members	Total Cost
Basic Allowance	4,883.40	55.00	268,587.00
Special Responsibility:			
- Leader of the Council	14,650.20	1.00	14,650.20
- Deputy Leader of the Council	9,766.80	1.00	9,766.80
- Cabinet Members	5,695.08	8.00	45,560.64
- Assistant Cabinet Members	2,441.76	0.00	0.00
- Committee Chairman	5,049.60	6.00	30,297.60
- Vice Chair of Committees	2,441.76	6.00	14,650.56
- Chairman of the Council	7,325.16	1.00	7,325.16
- Vice Chairman of the Council	2,441.76	1.00	2,441.76
- Planning Committee Members	1,220.85	18.00	21,975.30
			146,668.02

- 4.6 There are also SRAs for Leaders of the Opposition Parties/Groups and this is based on the Leader's Allowance divided by 55, which gives an allowance of £266.40. To receive this allowance, there needs to be at least three Opposition Members in the same Political Party and if this was the case, the Opposition Leader would receive an allowance of £799.20. The allowance would then increase by £266.40 for each extra Member in that Opposition Party.
- 4.7 At the SC, the MAS was approved, subject to two points which were referred to the Monitoring Officer for clarification and resolution. The first point is about payments to co-opted members. There was a line in the IRP report to the SC about the proposed payment being the BA plus 0.1%-0.4%. The Monitoring Officer clarified this with the IRP and they have confirmed that they intended the payment to be between 1-4% of the Basic Allowance, per meeting, the amount to be determined at the discretion of the Chairman of the Committee on which the co-opted Member might sit. This has been included in the MAS, attached.

- 4.8 The other point for clarification related to the Planning Committee Members. Previously, at Suffolk Coastal District Council (SCDC), members of the Planning Committee received a payment of 25% of the BA. At Waveney District Council (WDC), the Planning Committee Members did not receive a BA. When the IRP formulated their proposals to equalise the two existing schemes, it was on the proviso that “where there were differences between the SCDC scheme and the WDC scheme in terms of which offices attracted an allowance, and which did not, all offices which attracted an allowance have continued to receive one under the equalised scheme.” The Chairman of the IRP confirmed, at the meeting of the SC, that the payment of a SRA for the Planning Committee members had been omitted from their proposals, and that, for clarification, the IRP confirmed to the Monitoring Officer that their intention was “that the Planning Committee Members of the ESC could claim to be entitled to a SRA as part of their membership of the Planning Committee, North or South, because such an allowance was paid previously”. This has been included in the MAS, attached.
- 4.9 The payment of a SRA to the Members of the Planning Committee (N) and the Planning Committee (S) of £1,220.85 (x18) will add £21, 975.30 to the total costs shown in paragraph 4.5 above, giving an overall total of £146, 668.02.

5 CONSULTATION

- 5.1 The IRP members were appointed following a formal recruitment process to ensure equality, openness and transparency. Specific exclusions applied but these were clearly laid out in the application form and person specification.
- 5.2 The IRP met with both the Leader of SCDC and the Leader of WDC, in formulating their proposals. They also heard from the Head of ICT about what computer hardware and software would be made available to the members of the ESC.

6 OTHER OPTIONS CONSIDERED

- 6.1 None. The Order required the SC to formulate proposals for a MAS for the ESC to adopt.

7 REASON FOR RECOMMENDATION

- 7.1 The Order required the SC to formulate proposals for a MAS for the ESC to adopt. The SC formulated these proposals which were approved by the SC at its meeting on 28 February 2019, subject to the two points of clarification provided in 4.7 and 4.8 above. The ESC is required to adopt the MAS.

RECOMMENDATION

That the East Suffolk Council adopts the Scheme of Members’ Allowances approved by the Shadow Council at its meeting on 28 February 2019, and attached as Appendix A to this report, in accordance with Article 10 of the East Suffolk (Local Government Changes) Order 2018.

APPENDICES

Appendix A

Scheme of Members’ Allowances approved by the Shadow Council on 28 February 2019

BACKGROUND PAPERS – None