

COUNCIL

Wednesday, 22 January 2020

REPORT OF THE INDEPENDENT REMUNERATION PANEL

EXECUTIVE SUMMARY

1. To consider a report from the Independent Remuneration Panel (IRP) about its review of the Members' Allowances Scheme (MAS) for East Suffolk Council (ESC), and its proposed amendments to the MAS, following its review.
2. To consider whether the Council wishes to adopt all or part of the recommendations put forward by the IRP, with regard to the MAS.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards in the District
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Cabinet Member:	Councillor Steve Gallant Leader of the Council and Cabinet Member with responsibility for Resources
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Supporting Officers:	Hilary Slater Head of Legal and Democratic Services 01394 444336 hilary.slater@east Suffolk.gov.uk Sarah Davis Democratic Services Officer 01502 523614 Sarah.davis@east Suffolk.gov.uk
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1 INTRODUCTION

- 1.1 On 25 May 2018, the East Suffolk (Local Government Changes) Order 2018 (the Changes Order) came into force and provided for the abolition of Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC) from 1 April 2019 and the creation of the new East Suffolk Council (ESC) on the same day, in place of SCDC and WDC. Elections for ESC were held on 2 May 2019 and 55 Councillors took office on the fourth day after their election, on 7 May 2019.
- 1.2 During the period from 25 May 2018 until 6 May 2019, known as the “Shadow Period”, a Shadow Council (SC) for ESC was created by the Changes Order. The SC consisted of all 42 SCDC and 48 WDC Members (90 total), notwithstanding the abolition of each Council on 1 April 2019.
- 1.3 Article 10 of the Changes Order required the SC to formulate proposals for a Members’ Allowances Scheme for adoption by the ESC.
- 1.4 The Local Authorities (Members’ Allowances) (England) Regulations 2003 (the Regulations) usually apply in the formulation of such a scheme. The 2003 Regulations require the appointment of an Independent Remuneration Panel (IRP) to make recommendations as to the contents of any such MAS to be adopted. The Local Authorities (Members’ Allowances) (England) Regulations 2003 require Local Authorities to have an approved MAS in place for the payment of allowances to Elected Members.
- 1.5 An IRP is comprised of community representatives and is independent of the Council so the public can have confidence that the production of a report by them on any MAS is undertaken on an impartial basis. Any recommendations from the IRP are referred to Full Council for consideration so that the process is open and transparent.
- 1.6 The SC considered that it might be challenging for an IRP to carry out a comprehensive review of Members’ Allowances and have a new Scheme in place for the ESC to adopt at its first Annual Meeting on 22 May 2019. Not only was the timetable tight for this, but it would be difficult to assess the workload of newly elected Councillors until some months after their election when the demands on their time, in serving the larger wards created by the new Council, could be quantified. It was agreed that the IRP needed to understand the role of an East Suffolk Councillor in detail, and to hear from those newly elected Councillors, about how they were going about their important, new work, to represent their now larger wards.
- 1.7 In July 2018, three individuals were selected from the pool of five SCDC/WDC IRP members and their report REP39 (SH) recommending an equalised Scheme based on the SCDC and WDC Schemes was considered and approved by the SC on 28 February 2019. This enabled a Scheme to be in place from 7 May 2019 when the new ESC Councillors took office.
- 1.8 At its Annual Meeting on 22 May 2019, ESC considered report ES/0011 and agreed to adopt the MAS approved by the SC on 28 February 2019. It was also agreed to commission an in-depth review of the MAS within six months as this would give newly elected Members an opportunity to gain some experience of their wards, and the new Council, which they could share with an IRP.
- 1.9 The IRP was commissioned in September 2019 to carry out the in-depth review of the ESC MAS.

2 IRP'S METHODOLOGY

2.1 The IRP was tasked with reviewing the MAS to ensure that it was fit for purpose, given the ESC's position as the largest District Council in the country by population. The IRP recognised the enormously innovative changes which the ESC had made, in reducing the number of Councillors from 90 to 55. Also, that the ESC Members were now working with larger budgets and bigger wards. The IRP realised that it needed to respond similarly, as the roles of individual Councillors had changed. Therefore, the IRP has endeavoured to apply the Regulations in a way that reflect the increased responsibility on each Councillor in responding to the demands of the new Council.

2.2 Consequently, the IRP decided to approach the review by using several different methods to obtain evidence including:

- Benchmarking the current and proposed Scheme against other local and national Local Authority Schemes;
- Asking Members to complete a questionnaire to enable the IRP to understand the roles, responsibility and time commitments of being an ESC Councillor generally as well as the requirements for those Members holding positions that carried a Special Responsibility Allowance (SRA);
- To understand the different workloads, demands on their time and experiences of being an ESC Councillor, the IRP interviewed all the Group Leaders and several other Members who met one or more of the following criteria: newly elected; a returning SCDC/WDC Councillor; someone with caring responsibilities eg children/dependents; from a rural ward; from a large town; from the north of the District; from the south of the District; and also a newly appointed Committee Chairman.
- The IRP also interviewed the Council's Head of Communities in relation to the role of the Chairman of the eight new Community Partnerships.

2.3 In order to determine the Basic Allowance (BA), the IRP used the same approach they had in the review which they carried out for the former Waveney District Council in 2017, whereby a percentage allocation of time had been worked out for different elements of the Councillor's role, including Use of Home, Member Development, being a Ward Councillor, Meetings and Preparation Time. An element for Information Technology (IT) had not been included in this review, as it was no longer applicable. In addition, the IRP had compared the BA of the ESC against that of other local authorities, both locally and nationally, that had similar population sizes.

3 IRP'S FINDINGS

3.1 Taking into account the above and comprehensive discussions, the IRP noted that there had been an unprecedentedly large response to the questionnaires which they had sent out, and Members had expressed some strong opinions in them. In summary:

- The workload for Members had increased significantly – double in most cases – the role had been redefined and could not be viewed as part time. There were a number of Members who felt that this was affecting their work/life balance. In particular, contact through emails and phone with constituents had increased.

- The extra and greater responsibilities for all Members and especially those with SRAs was evident. Consequently, Members required greater skills to manage the increased budgets and duties. The concept that this was a volunteer occupation was diminishing.
- Significant additional travel to and from meetings and visiting constituents was now required for many Members. Some of this mileage could not be claimed and there was no recognition of the additional time required. In some cases, this could require a Member to be travelling a round trip of 3 - 4 hours to attend a meeting that lasted for 2 hours.
- Members who have an outside occupation were having to take time off at their own cost or lose holiday entitlement.
- There was a strong opinion regarding the lack of diversity within the Council which many respondents attributed to the small allowances. Comments were made that people who were self-employed could not afford to become a Councillor. Likewise, employed people might find it difficult to get the time off required to fulfil their role effectively.
- On a positive note, all respondents were enthusiastic about the challenges ahead with the new Council.

4 IRP'S RECOMMENDATIONS

- 4.1 Using the data accumulated from the questionnaires and the information provided by Democratic Services, the IRP reviewed the Members' activity and work levels against the previous results in 2017, as well as the payments made to Members from Suffolk County Council, other large Councils in East Anglia, and across the UK. This, taken together with the increased demands on Councillors' workload, time spent, and increased budget responsibilities, led the IRP to make the following recommendations:
- 4.1.1 That the Basic Allowance (BA) be increased to £7,500, backdated to 7 May 2019.
- 4.1.2 That, in relation to SRAs, the following be recommended with payments backdated to 22 May 2019 or when appointed to the position:
- (a) The same method being retained for calculating SRAs e.g. by agreeing a multiplier of the Basic Allowance for each position rounded to the nearest 2 decimal places. However, given the proposal to significantly increase the BA, the IRP have proposed that the current multipliers be reduced across the board to offset some of the increased budget costs, therefore, the SRAs for the following positions have all had their multiplier reduced but the actual payments (rounded to the nearest whole pound) will be higher due to the BA increasing:
- Leader of the Council - £18,750
 - Deputy Leader of the Council - £12,500
 - Cabinet Members - £7,289
 - Chairman of Council - £9,375
 - Vice-Chairman of Council – £3,125
 - Planning Committee Members – £1,563

- (b) To reflect the higher level of responsibility and frequency of meetings, the SRA for the two Chairmen and the two Vice-Chairmen of both Planning Committees (North and South) be set at the higher level of £6,463 and £3,125 to create a differential between them and the other Committee Chairmen and Vice-Chairmen (Scrutiny, Audit & Governance and Licensing Committees) who will receive the same payment as currently £5,050 and £2,442 respectively.
- (c) No payment be made at present for the Chairman and Vice-Chairman of the Strategic Planning Committee on the basis that the postholders are currently receiving a higher level of SRA for being Chairmen of the Planning Committees, however, this decision should be reviewed in a year's time when more information about workload is available.
- (d) The SRA for the Assistant Cabinet Members be increased to £5,050 which is equivalent to a Scrutiny, Audit & Governance and Licensing Committee Chairman, subject to a review of the level in a year's time, at which stage the Assistants will have been in post for some time and their roles should be better understood, and can be further considered.
- (e) The Chairmen of the new Community Partnerships receive an SRA of £2,442 which is equivalent to a Vice-Chairman of a Scrutiny, Audit & Governance or Licensing Committee, and this should be reviewed once the Community Partnerships have operated for a year.
- (f) Licensing Committee Members should receive an SRA of £750 to reflect the frequent requirement to sit on Licensing Sub-Committees which have a quasi-judicial function.
- (g) In addition to claiming 100% of the highest SRA they are eligible for, Members can also claim 25% of the next highest eligible SRA provided it is not claimed for attending the same Committee e.g. the Licensing Committee Chairman could not claim a second SRA for being a Licensing Committee Member but they could claim if they were also a Planning Committee Member. The payment of a second SRA to be reviewed in a year's time.
- (h) The formula for determining SRAs for Leaders of the Opposition Parties/Groups remains the same and is based on the Leader's Allowance divided by 55, which gives an allowance of £340.91. 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 £1,022.72. The allowance would then increase by £340.91 for each extra Member in that Opposition Party/Group.
- (i) That no change be made to the allowance for Co-opted Members of ESC in that they will be paid an amount per meeting, the amount being the BA multiplied by between 1% to 4%, the % to be determined at the discretion of the Chairman of the Committee on which the co-opted Member sits.

4.1.3 That the BA and SRAs in the MAS be specifically linked to the annual staff pay award in order to preserve the link with Officers' pay.

4.1.4 That no change be made to the rates for the Travelling and Subsistence and Dependent Carers Allowances.

4.1.5 That the Travel and Subsistence list of Approved Duties be extended to include the excess mileage for visits to constituents of journeys in excess of a 10 mile round trip in order to recognise the additional miles that some Members have to travel to visit their constituents

due to the ward boundary changes (eg if the journey is normally a 12 miles round trip then Members can claim 2 miles at the normal mileage rate of 45p per mile).

- 4.1.6 That the MAS include a payment equivalent to at least the Real National Living Wage (which is currently £9.30 and usually changes annually in November) to be payable for every hour or part thereof for any “standard journey” (using a method such as AA route map) within the District by car or public transport that takes longer than two hours (e.g. for a journey that routinely takes two hours 15 minutes, a claim could be made for £9.30 for the 15 minutes over and above the two hours as well as claiming mileage as normal. If a journey takes longer than normal e.g. to follow a diversion and subsequently exceeds two hours, the additional time cannot be claimed for, as this would be a one off and not a “standard journey”).
- 4.1.7 That the introduction of the claims as detailed in 4.1.5 and 4.1.6 above be reviewed in a year’s time as it is difficult to quantify the impact of them at this point.
- 4.2 That, subject to the above recommendations being approved, the IRP review the following in a year’s time:
- Whether to pay the Strategic Planning Committee Chairman and Vice-Chairman an SRA
 - The level of SRA for Assistant Cabinet Members
 - The level of SRA for Chairmen of Community Partnerships
 - Whether to continue paying a second SRA and, if so, whether to review the percentage payable
 - The payment of excess mileage for visits to constituents for any round trip journeys over 10 miles
 - The payment for any “standard journeys” over a two hours round trip
- 4.3 In addition to the above relating to Allowances and payments under the MAS, the IRP received several comments from Members regarding other issues and have therefore made the following general recommendations:
- 4.3.1 Problems with broadband signal – That the Council’s IT department provide any support necessary to those Members who live in an area where the broadband signal is deficient to enable them to carry out their duties as effectively and efficiently as possible.
- 4.3.2 Lack of diversity on the Council and the view that the current Scheme did not help to attract people to stand as Councillors – That the Council investigate ways to attract different people from different backgrounds and with a range of skills, by inspiring companies to encourage their workforce to consider becoming a Councillor, or to enable the self-employed to be adequately recompensed for lost work.

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

- 5.1 It is important that all the policies and procedures which are in place to support Councillors in carrying out their roles are regularly reviewed to ensure that they continue to be appropriate and meet the needs of the ESC. The Councillors of ESC ought to be appropriately recompensed for the time they give to the new Council, the establishment of which brought about significant efficiency savings, as set out in the East Suffolk Business Plan.

6 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 6.1 The establishment of IRPs and the setting of MAS are governed by the Regulations. The IRP acts in accordance with the guidance issued to support the Regulations.
- 6.2 Statutory legislation provides for all Members to be paid the same BA and SRAs for undertaking additional responsibilities. The role of the IRP is to review and make recommendations in respect of these and other allowances payable to Elected Members.
- 6.3 The ESC has to have regard to the recommendations in the IRP report and may adopt any of the recommendations put forward in full or in part.
- 6.4 **Basic Allowances**
- 6.4.1 The Members' BA budget from the predecessor Councils was £517,000 (including £34,000 for an IT allowance for SCDC Councillors) and this was maintained in the first ESC budget.
- 6.4.2 The IRP proposes that all 55 Members receive an increase in the BA from £4,883.40 to £7,500, backdated to 7 May 2019, when they took office. The current cost of the Basic Allowance is £268,587 but the proposed new cost would be £412,500 (see Table 1 below), which equates to a saving of £104,500 from the BA budget for SCDC and WDC (which is lower than the current savings of £248,413).
- 6.4.3 If the recommendation to increase the BA is approved, the budget for BAs will need to be revised as part of the 2020/21 budget setting process.
- 6.5 **Special Responsibility Allowances**
- 6.5.1 The Members' SRA budget for the predecessor Councils was £228,200 and this was also maintained within the first ESC budget.
- 6.5.2 The IRP proposals are shown below in Table 1 and, if approved, would result in the costs rising from the current cost of £148,062 to £220,195, which equates to a saving of £8,005 from the SRA budget for the predecessor Councils (which is lower than the current savings of £80,138).
- 6.5.3 The SRA budget figures have been based on the following:
- A multiplier of the BA, rounded to the nearest 2 decimal places, being agreed for each SRA position, with the resulting Allowance payment then rounded to the nearest whole pound.
 - Cabinet consisting of 10 Members (Leader, Deputy Leader and 8 Cabinet Members each claiming an SRA).
 - The total SRA budget figure is based on each position being filled by an individual and claiming 100% of the applicable allowance.
 - However, given the recommendation that Members can also claim 25% of the second, next highest SRA to which they are eligible, the actual costs are likely to be less than budgeted depending on how many second SRAs are claimed.

6.5.4 If approved, the budget for SRAs will be revised as part of the 2020/21 budget setting process.

6.6 Proposed New Allowances

6.6.1 At this point, it is difficult to quantify the financial impact of how many claims will be made for visits to constituents and journeys over two hours, however, it is considered that the additional costs are unlikely to be significant and can be accommodated in the overall budget.

6.7 The budget for 2019/20 is a full year budget and can also accommodate the costs of backdating the BA and SRAs as applicable.

Table 1 – Basic and Special Responsibility Allowances:				
Position	New Allowance (rounded to nearest £)	Multiplier (rounded to nearest 2 decimal places)	Actual No of Members	Total Cost
Basic Allowance	£ 7,500		55	£ 412,500
Leader of the Council	£ 18,750	2.50	1	£ 18,750
Deputy Leader of the Council	£ 12,500	1.67	1	£ 12,500
Cabinet Members	£ 7,289	0.97	8	£ 58,312
Assistant Cabinet Members	£ 5,050	0.67	4	£ 20,200
Planning Committee Chairman	£ 6,463	0.86	2	£ 12,926
Planning Committee Vice-Chairman	£ 3,125	0.42	2	£ 6,250
Scrutiny Committee Chairman	£ 5,050	0.67	1	£ 5,050
Scrutiny Committee Vice-Chairman	£ 2,442	0.33	1	£ 2,442
Licensing Committee Chairman	£ 5,050	0.67	1	£ 5,050
Licensing Committee Vice-Chairman	£ 2,442	0.33	1	£ 2,442
Audit & Governance Committee Chairman	£ 5,050	0.67	1	£ 5,050
Audit & Governance Vice-Chairman	£ 2,442	0.33	1	£ 2,442
Chairman of the Council	£ 9,375	1.25	1	£ 9,375
Vice-Chairman of the Council	£ 3,125	0.42	1	£ 3,125
Planning Committee Members	£ 1,563	0.21	14	£ 21,882
Licensing Committee Members	£ 750	0.10	13	£ 9,750
Community Partnership Chairmen	£ 2,442	0.33	8	£ 19,536
Leader of Labour Group (7 Members)	£ 2,386		1	£ 2,386
Leader of the GLI Group (8 Members)	£ 2,727		1	£ 2,727
Total SRA				£ 220,195
Total				£ 632,695

7 OTHER KEY ISSUES

7.1 The MAS is based purely upon roles and responsibilities and, therefore, it has been agreed that an Equality Impact Assessment is not required as it will be applied equally regardless of protected characteristics.

8 CONSULTATION

- 8.1 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.
- 8.2 To formulate their proposals, the IRP met with all three ESC Group Leaders as well as a number of Councillors that met their criteria as detailed in 2.2 above.
- 8.3 In addition, the IRP met with the Council's Head of Communities in relation to the role and responsibilities of the new Community Partnership Chairmen.

9 OTHER OPTIONS CONSIDERED

- 9.1 The Regulations require the Council to have a MAS. Given the IRP's recommendation to review certain elements of their proposed changes in a year's time once more information is available, Members could decide to defer consideration of all the IRP's proposals for a year. However, deferring the review would not accord with the Shadow Authority's recommendation to review Members' Allowances within six months of the ESC being created, so as to assess the recognised impact of Members serving in their new wards, with larger areas and greater responsibilities, and to ensure that Councillors are adequately remunerated.

10 REASON FOR RECOMMENDATION

- 10.1 To ensure that the MAS has been fully reviewed, in accordance with the recommendations of the Shadow Authority for East Suffolk, and to take account of the new ESC, the reduction in the number of Members and its larger wards. In addition, to ensure that any increase in Members' workload by virtue of serving the largest District Council in the country by population is recognised and appropriately reflected in the MAS.

RECOMMENDATION

That the recommendations of the Independent Remuneration Panel for a new Members' Allowances Scheme for East Suffolk Council, as set out in paragraph 4 above, be approved in whole or in part.

APPENDICES

Appendix A	The IRP Budget Spreadsheet (showing current and proposed payments)
Appendix B	The current Members' Allowances Scheme
Appendix C	The proposed Members' Allowances Scheme

BACKGROUND PAPERS – none