

## **REPORT OF THE INDEPENDENT REMUNERATION PANEL**

### **MEMBERS' ALLOWANCES**

1. On 24 May 2018, the Government made the East Suffolk (Local Government Changes) Order 2018 (the Changes Order). The Changes Order came into force on 25 May 2018. It made provision for the abolition of Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC) from 1 April 2019. Also, it provided for the creation of the new, East Suffolk Council (ESC) on 1 April 2019, in place of both SCDC and WDC. The ESC will consist of 55 Councillors, who will take office on the fourth day after their election, on 6 May 2019.
2. During the period from 25 May 2018 until 6 May 2019, known as the “Shadow Period”, a Shadow Council (SC) for the ESC was created by the Changes Order. The SC consists 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.
3. Article 10 of the Changes Order also says that the SC must formulate proposals for a scheme of Members’ allowances 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 scheme of allowances to be formulated for the ESC to adopt.
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 Independent Remuneration Panel (IRP) to make recommendations as to the contents of any such scheme of allowances to be adopted.
5. In formulating proposals for the ESC to adopt as a scheme of allowances, 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.
6. SCDC and WDC have a jointly appointed IRP. Five Members were appointed following a recruitment process which was advertised locally, in 2014 (SCDC Report CL21/14 in September 2014 and WDC Report REP1129, also of September 2014, refer). Recent reviews have been carried out of SCDC’s Members’ Allowances Scheme (in May 2016, Report CL10/16 refers), and of WDC’s, in January 2018 (Report REP1696 refers). Both Schemes are now similar.
7. It was considered by the SC that it might be challenging for an IRP to carry out a comprehensive review of Members’ Allowances, and have a completely new Scheme in place for the ESC to adopt, at its Annual Meeting in May 2019.
8. It was proposed that the joint SCDC-WDC IRP be asked to carry out a light touch review of both the SCDC and the WDC Schemes, to enable the SC to formulate proposals to put to the ESC, at its Annual Meeting in May 2019. This would be a short-term review/scheme, until such time as the ESC could begin its work.

9. As there was a requirement for a Members' Allowances Scheme for the ESC, it was proposed that Karen Forster, Sandra Cox and Ivor Holden, Members of the SCDC-WDC IRP, be asked to consider the schemes used currently by SCDC and WDC, to compare them, and carry out a light touch review. Further, that they be asked to formulate some proposals for consideration by the SC, which, in turn, if acceptable, could be put to the ESC for adoption at its first meeting.
10. Therefore, and as requested by the SC, the IRP has met on the following dates to carry out their review:-  
Monday, 30 July 2018  
Friday, 17 August 2018  
Friday, 19 October 2018  
Friday, 23 November 2018  
Monday, 4 February 2019
11. In addition, the IRP interviewed the Leader of SCDC on 19 October 2018 and the Leader of WDC on 17 August 2018 about Members' Allowances for the newly elected members of ESC. The IRP had had discussions, too, with the Head of ICT about what the ICT provision would be for the newly elected Members of ESC and generally about the financial implications with the Interim Chief Finance Officer.
12. In carrying out this light touch review, the IRP recognised that because of the reduction from 90 to 55 Councillors, there would be an increased workload and greater responsibility for both Ward Councillors receiving a basic allowance (BA) and those with Special Responsibility Allowances (SRAs). There would be fewer Councillors representing the same sized electorate, and they would have further distances to travel around their larger wards. The increase in their responsibilities and the pressures on them were unknown, presently. The IRP considered that although the pressure on Councillors would be increased, the changes would also mean there should be significant savings, as the number of Councillors on ESC is a reduction of 33% of the combined number of Councillors on SCDC and WDC.
13. The IRP recognised that the Members' Allowances for SCDC and WDC, whilst similar, had slight differences, and that there were some offices which attracted an allowance at one council, but not at the other.
14. The IRP noted from the discussions with the Head of ICT that all of the members of the ESC would be given a Council owned laptop to access the ESC's systems. It was more efficient and effective to offer a corporate ICT solution, in that way, rather than for ESC members to purchase the hardware themselves. In addition to the basic allowance, supplementary payments of £1,000 had previously been awarded to Members to fund their IT requirements. Because of the new arrangement for the provision of corporate ICT, this would no longer be applied. This was noted and no further consideration was given.
15. Therefore, the IRP considered three options:

1. To equalise the payments set out in the WDC scheme and the SCDC scheme as they stand now.
2. To increase the Basic Allowance (BA) and, therefore, the SRAs, by a nominal amount to reflect the immediate increase in Members' work.
3. To undertake a full review of all allowances to reflect the increased workload

**Option 1** - to equalise payments from 6 May 2019 – this was necessary as it would be unfair to have different allowances for carrying out the same roles.

**The IRP therefore agreed to pursue this option.**

**Option 2** - to increase allowances by a nominal amount – this was ruled out because there was no logical basis for agreeing any nominal sum until the differences in the new roles had been considered, and explained, based on the experiences of the East Suffolk Councillors.

**The IRP therefore rejected this option.**

**Option 3** - to undertake a full review – this was not within the scope of what the SC had asked the IRP to carry out. And, in any event, it did not seem to be possible or logical, as there was no information as to what differences there would be in work load and responsibilities until the newly elected councillors had experience of their new roles, gleaned over the first few months of the ESC. This experience would give an IRP the requisite information it needed to make decisions based on facts.

**The IRP therefore rejected this option.**

Because Option 1 was recommended, the IRP agreed with the suggestion made by the Shadow Council in its report of 4 June 2018 that a full review be carried out six months after the creation of the new ESC, noting the following points:

- 1) When a full review is carried out in 2019, it was felt that whatever the IRP recommendations might be, after evaluating the changes in roles since the commencement of the ESC, the amounts **should be backdated to the coming into office of the new Councillors, on 6 May 2019**, so that all councillors would receive their agreed allowances at the same rate for the same job from the date of taking office.
- 2) It was also agreed that all allowances should be divisible by 12 to assist with payroll efficiency.

**In agreeing Option 1, the IRP made the following recommendations**

**1 That until a full review is carried out, later in 2019:**

- A) The SCDC and the WDC Schemes be equalised so that from 6.5.19, Members of the ESC be paid the allowances at the rates shown at Appendix A to this report.**

- B) From 6.5.19, all allowances should be rounded up to make them divisible by 12 to assist with payroll efficiency.**
- C) For the period 1.4.19 to 5.5.19, the ESC operates through its SC. The SC consists of all of the Members of SDC and all of the Members of WDC, notwithstanding the abolition of each Council on 1.4.19. Therefore, in formulating its proposals for allowances for the ESC, the Members of the SC should receive an allowance for their service to the ESC for the period 1.4.19 to 5.5.19.**
- D) Further, for the period 1.4.19 to 5.5.19, the ESC Members' Allowances scheme should be a continuation of the SCDC scheme, for all Members of the SC who were elected Members of SCDC, and a continuation of the WDC scheme, for all Members of the SC who were elected Members of WDC.**
- E) Specific payments for ICT would cease.**

In making these recommendations, it should be noted that:

- a) Where there were differences in the amounts paid between the SCDC scheme and the WDC scheme, the higher of the two amounts has been used.
- b) 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.

In suggesting 1C) and 1D) above, the IRP was mindful of the following:

- (i) That all of the Members of SCDC and all of WDC have served on the SC since its inception on 25.5.18.
- (ii) That whilst working on the SC, together, for the last nine months, Members have, nonetheless, received allowances which were slightly different, as between the SCDC Members and the WDC Members.
- (iii) During the period 1.4.19 to 5.5.19, it is likely that the only committee meetings required will be of the Shadow Planning Committee, or the Shadow Licensing Committee. These will be geographically based committees, covering the areas currently covered by the SCDC/WDC Planning Committees respectively, and the SCDC/WDC Licensing and Health/Licensing Committees currently. The Shadow Cabinet may also be likely to meet, as it is doing so, now.
- (iv) If the allowances for the period 1.4.19-5.5.19 are based on the SCDC/WDC schemes, then payments can continue without needing to change the payroll until 6.5.19, and then again, later in 2019, if a full review is carried out and further changes are proposed. This will reflect the fact that the SC Members are serving ESC in their current roles, and have not taken on the larger wards which the newly elected Members of the ESC will, from 6.5.19.
- (v) The alternative to 1C) and 1D) would be to apply the equalised scheme from 1.4.19. This would mean that all of the allowances for the Members of the SC would need to

be adjusted on 1.4.19 for all 90 Members, taking an estimated two days work. Further system changes would need to be made to pay the newly elected members on 6.5.19, and again in autumn 2019, assuming that the IRP made further changes, and these were accepted. Therefore, there would be three lots of system changes to be made in six months, depending on when the full review was carried out. This did not seem to be practical or efficient and was not recommended by the IRP.

## APPENDIX A

### INDEPENDENT REMUNERATION PANEL FEBRUARY 2019 RECOMMENDATIONS FOR ALLOWANCES FOR EAST SUFFOLK COUNCIL FROM 6.5.19:

#### Basic and Special Responsibility Allowances

	Amount	
Basic Allowance	£4,883.40	
Leader of the Council	£14,650.20	
Deputy Leader of the Council	£9,766.80	
Cabinet Members	£5,695.08	
Assistant Cabinet Members	£2,441.76	
Committee Chairman	£5,049.60	
Vice Chairman of Committees	£2,441.76	
Chairman of the Council	£7,325.16	
Vice Chairman of the Council	£2,441.76	
Leaders of Opposition Parties/Groups	£266.40	(Leader ÷ 55)
(based on minimum of 3 in opposition group x number in opposition group)		

#### Note:

If any Councillor is entitled to more than one Special Responsibility Allowance at any time, then payment will be restricted to the highest of the amounts due.

#### Travelling and Subsistence Allowances

- 1 Mileage  
No change.
- 2 Subsistence  
No change.

#### Dependent Carers Allowances

Payment made on the production of receipts.

For dependents requiring specialist care, a maximum of £20 per hour can be claimed, per carer/nurse, for actual costs.

For the provision of babysitting and child minding, a maximum of £10 per hour can be claimed for actual costs incurred, unless provided free of charge under a government scheme.

Payment of a Dependent Carers Allowance, for an adult or a child, is subject to the production of a receipt and the care is not provided by a family member.

#### Co-Optees

Basic allowance multiplied by 0.1% to 0.4%, such payment to be at the discretion of the appointing Committee.