

East Suffolk Shadow Authority

Agenda
Item
14

SHADOW COUNCIL

Thursday 28 February 2019

REPORT OF THE INDEPENDENT REMUNERATION PANEL (REP 39(SH))

EXECUTIVE SUMMARY

1. To consider a report from the Independent Remuneration Panel (IRP) about its proposals for a Members' Allowances Scheme (MAS) for the East Suffolk Council (ESC).
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
Wards Affected:	All Wards in the District
Cabinet Member:	Councillors Mark Bee and Ray Herring
Supporting Officer:	Hilary Slater Head of Legal and Democratic Services 01394 444336 hilary.slater@east Suffolk.gov.uk

1 INTRODUCTION

- 1.1 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.
- 1.2 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.
- 1.3 Article 10 of the Changes Order also 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 Independent Remuneration Panel (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 In September 2014, both SCDC and WDC agreed to revoke their existing arrangements for IRPs and to establish a joint pool of IRP members for both local authorities.
- 1.7 A recruitment process was subsequently undertaken and following consultation with the Leaders of the Council for both authorities, 5 individuals were appointed to the pool of IRP members and these Members undertook a training session on the role of the IRP in December 2014.
- 1.8 An IRP is comprised of community representatives and is completely independent of the Council(s) and so the public can have confidence that the production of a report by them on any MAS is undertaken on a completely impartial basis. Any recommendations from the IRP are referred to Full Council for consideration so that the process is open and transparent.
- 1.9 Three individuals were selected from the pool of 5 IRP members and they 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 ESC to adopt. The report of the IRP is attached as Appendix A to this report.

2 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

- 2.1 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 Council. The formulation of proposals for a MAS for the ESC to adopt is a statutory requirement of the Changes Order. It will ensure that ES Councillors are appropriately recompensed for the work that they are going to undertake for the new

Council, the establishment of which will bring about significant efficiency savings, as set out in our East Suffolk Business Plan.

3 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 3.1 The establishment of IRPs and the setting of Members' Allowances are governed by the Regulations. The IRP acts in accordance with the guidance issued to support the Regulations.
- 3.2 Statutory legislation provides for Members to be paid a Basic Allowance (BA) and a Special Responsibility Allowance (SRA) 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.
- 3.3 The Shadow Council should have regard to the recommendations in the IRP report prior to agreeing to these proposals for a MAS for the ESC, and may adopt any of the recommendations put forward in full or in part.
- 3.4 The Members' BA budget from the predecessor Councils was £517,000 and this has been maintained within the first ESC budget. The proposals from the IRP are 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.
- 3.5 The Members' SRA budget from the predecessor Councils 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.
- 3.6 It has been assumed that the Cabinet will consist of 10 members (Leader, Deputy Leader and eight Cabinet Members), there will be six Chairman and Vice-Chairman of Committees (Scrutiny, Audit & Governance, Licensing, Strategic Planning, North Planning and South Planning).
- 3.7 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
			<u>124,692.72</u>

- 3.8 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.

- 3.9 Finally, there is an allowance for Co-opted Members of £4,883.40 and this can be increased at the discretion of the Appointing Committee by 0.1% to 0.4%.

4 CONSULTATION

- 4.1 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.
- 4.2 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.

5 OTHER OPTIONS CONSIDERED

- 5.1 None. The Shadow Council is required to formulate proposals for a MAS for the ESC to adopt.

6 REASON FOR RECOMMENDATION

- 6.1 To ensure that there are proposals for a MAS for the ESC to adopt at its first Annual Meeting on 22 May 2019.

RECOMMENDATION

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.

APPENDICES

Appendix A	Report of the Independent Remuneration Panel February 2019
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BACKGROUND PAPERS – none