

## REPORT OF THE INDEPENDENT REMUNERATION PANEL – JANUARY 2024

### 1. Panel Membership

- 1.1 The Independent Remuneration Panel (IRP) has 3 members: Carol Bright, Lyn Thompson and Tim Reeves. Ms Thompson has previously participated in an IRP review in 2019. Ms Bright and Mr Reeves are new members of the panel, recruited in October / November 2023. The positions were subject to open advertisement using the Council's usual recruitment channels.
- 1.2 Ms Thompson was appointed as Chairman of the IRP at its first meeting.
- 1.3 The Panel has been supported by the Monitoring Officer and the Democratic Services Officer.

### 2. Scope of the Review

- 2.1 The Panel was convened to undertake the 4-yearly review of Councillor allowances as required by the Local Authorities (Members' Allowances) (England) Regulations 2003. Furthermore the Panel considered the impact of the Council's decision to move to a committee style of governance and the subsequent changes to the remit and responsibilities of certain roles. This has particularly been taken into account when reviewing the special responsibility allowances.
- 2.2 It was agreed that the IRP should make recommendations to the Council on:
  - the level of Members Basic Allowance;
  - which duties or responsibilities should lead to the payment of Special Responsibility Allowances and the amount of such allowances;
  - the duties for which travelling and subsistence allowances can be paid and the amount of those allowances;
  - the level of co-optees' (or non-councillor) allowance (an example of a non-councillor would be the independent members appointed to serve on the Council's Audit Committee);
  - whether the Scheme of Allowances should include an allowance for expenses of councillors in arranging child care or dependent relative care and if so the level of that allowance;
  - whether there should be any backdating of an allowance to the start of the financial year, in the event of any change to allowances mid-year;
  - the nature of any index by which allowances are updated annually and for how long any such an index should apply.

## 3. Review Process

- 3.1 This has essentially been a desktop review exercise, with the Panel meeting on three occasions. The Panel began by considering benchmarking data collated by officers. This benchmarking data included the authorities identified as Rochford's '[nearest neighbours](#)' by CIPFA. The Panel also received information about the schemes of allowances adopted by other authorities in Essex. However, these authorities were not direct comparators with large variations in size and range of responsibilities (2 unitary councils), and all being executive style councils.
- 3.2 The Panel then developed a suite of role descriptions for the positions that would attract a special responsibility allowance and used these to help inform the level of allowance that should be attributed to the role. These role descriptions have been appended to this report and should be reviewed by the Council with a view to them being adopted.
- 3.3 The Panel also considered the anticipated workload of the roles. In the case of committee chairmen, the Panel considered the frequency of meetings but also the breadth of the responsibilities of the committee and the potential additional activities that the chairmen would be required to participate in, e.g. representing the Council at external meetings.
- 3.4 Usually the IRP review process would also include interviews with and / or surveys of Members. The purposes of this exercise is to collect evidence from Members about how long they spend on the ward member role and any other additional roles and the level of responsibility and authority they have. As the committee system is not operational yet, the Panel did not consider it appropriate to undertake interviews with Members. However, the Panel does recommend that a further review is undertaken in 2 years' time, at the mid-point of the usual 4-year review period, in order to validate that the allowances are commensurate with the requirements of the roles once they have been operational for a period of time.

**RECOMMENDATION 1: That a further review of allowances be undertaken during 2026, two years after the implementation of the committee system, to validate that the level of the allowances are reflective of the actual workload and responsibilities of the roles.**

## 4. General Principles

- 4.1 When considering the scheme of allowances, the IRP has worked to a number of overarching principles:
  - a) That Councillor allowances are not designed to be a 'salary' but are key to enabling a diverse range of people to serve as councillors;

- b) That the amounts claimable for subsistence and travel should be equivalent to the amounts claimable by members of staff;
  - c) That the scheme must not disadvantage or have an adverse impact on any person with a protected characteristic.
- 4.2 The Panel also considered the appropriateness of the term 'Chairman' which is commonly used by the Council and felt that a non-gender specific term would be preferable, such as 'Chairperson' or 'Chair'. Following advice from the Monitoring Officer that the Constitution Working Group has also considered this matter, the Panel agreed that the Council should make a provision within the constitution for titles to be adjusted to the preference of the post holder.

**RECOMMENDATION 2: That the Council's Constitution includes the flexibility for role titles to be adjusted to suit the postholder's personal preference and pronouns.**

### **5. Basic Allowance**

- 5.1 The 2019 review of members allowances did not apply an index-linked annual increase to the basic allowance. Therefore the basic allowance has remained static at £5,000 for the past 4 years.
- 5.2 The range of the basic allowances for the benchmarking group of authorities was £3,451 to £7,842. The average of those basic allowances was £5,499 and the median was £5,279.
- 5.3 The Panel considered that it would be appropriate to increase the basic allowance to be more commensurate with the benchmarking data. It was also agreed that the basic allowance should be uplifted to reflect the index-linked increase that had not been applied over the last four years.
- 5.4 The Panel agreed that an index-linked increase should be applied annually in the future. In considering which indexation factor to use, the IRP looked at CPI and the local government pay award. It was agreed that the local government pay award (NJC Award) should be used so that any increases in councillor allowances would be at the same rate as any staff pay increases.
- 5.5 Applying the public sector pay award percentage increases for the past 4 years has increased the basic allowance to £5,817, therefore the IRP have recommended a revised basic allowance of £5,820.

**RECOMMENDATION 3: That the basic allowance is set at £5,820 per annum.**

**RECOMMENDATION 4: That the basic allowance is subject to an annual index-linked uplift in line with the NJC pay award for local government officers for the next four years.**

### 6. Special Responsibility Allowances

- 6.1 The Panel were keen to continue to take a 'multiplier' approach to the special responsibility allowances (SRA) meaning each allowance would be a multiple of the basic allowances. This future-proofs the scheme and enables the easy application of the index-linked annual increases.
- 6.2 The IRP considered that the multiplier for the Leader of the Council should be reduced under the committee system as the Leader's responsibilities would be diminished by the removal of executive functions. It was agreed that this should be commensurate with the Chairman of the Council's SRA and was given a multiplier of 1. Both the Deputy Leader and the Deputy Chairman roles were given a multiplier of 0.5 to reflect that the postholders not only had to act in the Leader / Chairman's absence but would also have to shadow them at a number of briefings and undertake the same amount of preparation so that they could step in to cover at short notice. Further, attendance at external meetings and functions would likely be split between the primary postholders and their deputies.
- 6.3 Portfolio Holder allowances were removed completely from the scheme as there would be no executive portfolios in the committee system.
- 6.4 With regards to the committee Chairmen and Vice-Chairmen, the Panel were keen to ensure that the multipliers were consistent so that no committee was seen as more important than another. However, there was a clear anomaly in the frequency of meetings for the Development Committee as this was scheduled to meet 12 times per years opposed to 4 times per year for most other committees. The Panel therefore proposed a larger multiplier for the Development Committee. The multiplier was not just increased proportionately to the number of meetings scheduled as the Panel recognised that the other committees, whilst meeting less frequently, would have a greater breadth of responsibilities across a range of diverse matters and would have additional responsibilities outside of the formal meetings. On that basis the multiplier for Development Committee was set at 0.75.
- 6.5 The multiplier for Committee Vice-Chairmen was kept the same as the current scheme, except for the Vice-Chairman of Development Committee which was increased to reflect the multiplier for the Chairman of that Committee.
- 6.6 The Panel decided to remove the Chairman's allowance for sub-committees as these would only meet on an ad hoc basis and typically the Chairman would be selected from those Councillors already attending the meeting. As such the chairmanship would rotate and would not involve a significant degree of extra work. The Chairman's allowance for the Chief Officers Employment Committee was also removed as this Committee would only meet as and when required.
- 6.7 The allowances for Independent Persons appointed by the Council should remain at a multiplier of 0.1 except where the Council decision to appoint such persons set a different allowance. This is the case of the Independent Member of the Audit and Governance Committee for which the Council has agreed a fee

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of £1,250 per annum. This is reflective of the significant involvement that independent member is expected to have in that Committee.

- 6.8 In respect of the group leaders allowances, the Panel considered a range of options based on the different systems used by the benchmarking group. The options considered were:
- A flat rate for all group leaders regardless of the size of the group;
  - A pro-rata allowance based on the group size compared to the whole membership of the Council;
  - A rate per member of the group;
  - A tiered approach which would create a differential in the allowance between different group sizes.
- 6.9 The Panel were keen to recognise that a larger group would result in more work for the group leader and accordingly a single flat rate was not suitable. Significant consideration was given to the rate per head option but it was also acknowledged that the workload did not grow equally with each additional member of the group. Therefore the Panel concluded that a tiered approach would be most appropriate. The Panel also considered starting the group leader allowance at a group size of 3 as co-ordinating just oneself and one other person didn't appear to require much work. However, in recognition that the minimum legal group size is 2 and that the Local Government Association encourages members to form groups, meaning small groups are more likely, the starting tier was reverted to 2-5 members.
- 6.10 The Panel also chose to continue with the current arrangement whereby group leader allowances are only payable to the leaders of groups that are not part of the Council's Administration (opposition groups).
- 6.11 When considering multiple SRAs, the Panel found a high degree of variation in the practice at other councils with some allowing any number of allowances to be claimed while others only permitting 1 SRA per councillor. It was agreed to propose that a maximum of 2 SRAs could be claimed by any councillor, in addition to a group leader allowance where applicable, as this seemed to present a reasonable mid-point.

**RECOMMENDATION 5: That the special responsibility allowances be set as follows:**

Element	Multiplier	Value
Chairman of the Council	1	£5,820.00
Vice-Chairman of the Council	0.5	£2,910.00
Leader of the Council	1	£5,820.00
Deputy Leader of the Council	0.5	£2,910.00
Development Committee Chairman	0.75	£4,365.00

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<b>Development Committee Vice-Chairman</b>	<b>0.15</b>	<b>£873.00</b>
<b>Committee Chairman (all other committees)</b>	<b>0.5</b>	<b>£2,910.00</b>
<b>Committee Vice-Chairman (all other committees)</b>	<b>0.1</b>	<b>£582.00</b>
<b>Independent Member of the Audit Committee</b>	<b>n/a</b>	<b>£1,250.00</b>
<b>Other Independent Persons</b>	<b>0.1</b>	<b>£582.00</b>
<b>Opposition Political Group Leader 2-5 Members</b>	<b>0.125</b>	<b>£727.50</b>
<b>Opposition Political Group Leader 6-10 Members</b>	<b>0.25</b>	<b>£1,455.00</b>
<b>Opposition Political Group Leader 11+ Members</b>	<b>0.5</b>	<b>£2,910.00</b>

**RECOMMENDATION 6: That Councillors can claim a maximum of 2 Special Responsibility Allowances in addition to a Group Leader Allowance, where applicable.**

### 7. Travel Allowances

7.1 The IRP were keen to ensure that the travel allowances incentivised the use of 'green' travel options as far as possible. Consideration was given to increasing the rate for bicycle miles, however it was concluded that maintaining parity with the HMRC rates would be preferable overall. This would ensure that the same rates were applicable to both councillors and officers.

7.2 The current HMRC rates are as follows:

Travel in own vehicle (irrespective of engine size) – 45p per mile

Motorcycles – 24p per mile

Bicycles – 20p per mile

Passengers – 5p per mile per passenger

7.3 Arrangements for travel by public transport would remain in line with the current scheme. Actual costs are claimable for standard class rail travel, bus travel and, if no alternative is available, taxi fares. Air travel requires prior authorisation from the Proper Officer.

**RECOMMENDATION 7: That travel allowances be set at the rates currently approved by the HMRC and will be varied in line with any future revisions to the HMRC statutory mileage rates.**

### **8. Subsistence Allowances**

- 8.1 The Panel were aware that subsistence allowances are rarely claimed, as meals are often included in external meetings and events. The Panel were also keen to again ensure parity between the amount claimable by officers and councillors. It was agreed to therefore adopt the same rates as applicable to employees.

**RECOMMENDATION 8: The amount which can be claimed for subsistence is the actual cost of the meal up to the limits set out in the subsistence policy for staff.**

### **9. Dependent Carers' Allowances**

- 9.1 The IRP felt that the Dependent Carer's Allowance was a critical element of the scheme in terms of ensuring that people with caring responsibilities could also stand as Councillors and were keen to make sure that the scheme was comparable with the other benchmarking authorities. The rate of £15 was competitive for child care and therefore the Panel proposed no change to this allowance. However, in respect of care for adult dependents, the Panel were conscious that costs may be higher to due the additional needs and specialist care requirements those dependents might have. On that basis the Panel opted to align with the hourly care rate charged by [Essex County Council](#) of £21.60 per hour.

**RECOMMENDATION 9: That Councillors can claim for actual costs of caring for dependents whilst undertaking approved duties, up to a maximum of:**

- £15 per hour for child dependents
- £21.60 per hour for adult dependents.

### **10. Parental Leave Policy**

- 10.1 The IRP noted that other councils had adopted a parental leave policy, which enabled Councillors to continue to be able to receive their allowance whilst taking parental leave (maternity, paternity and adoption leave). It was agreed that the Council should consider adopting a parental leave policy to support a wider range of people to become councillors.

**RECOMMENDATION 10: That the Council adopts a parental leave policy for members, the content of which is to be determined by the Council.**

### **11. Back Pay**

- 11.1 The Panel considered the issue of back pay in respect of two elements:
- a) that strictly speaking the 4-yearly review should have been undertaken in early 2023 so that the new scheme could have commenced in May 2023;
  - b) no index-linked annual increases have been applied over the past four years.
- 11.2 With regards to the timing of the review the Panel decided, on balance, that back pay to May 2023 should not apply as the scheme would have had to have been reviewed again in 2024 in any case for the implementation of the Committee system. Further, the scheme has been reviewed in respect of the committee style of governance and the allowances may not have been the same if reviewed in 2023 when the Leader and Executive model was still in operation.
- 11.3 In respect of the lack of indexation in the scheme agreed in February 2019, it is unclear whether this was an accidental omission from the recommendations to Council or a whether it was a conscious decision to not include an index-linked annual increase. There is no reference recorded in the Council report or minutes. Due to that uncertainty and due to the time, cost and complexity of calculating increases and applying them to each allowance and part allowance over the past 4 years, the Panel felt that no back payment of allowances should apply.

### **12. Final Proposed Scheme**

12. The IRP has included all of the above recommendations into the Proposed Scheme of Allowances appended to the Council report.