

**Dated: 9<sup>th</sup> October 2015**

**To all members, for information**

**Response from the Leader of the Council to the recommendations of the IRP**

We welcome the broad thrust of the IRP proposals and, particularly, its recognition of the relative scale and complexity of issues which ECC and its members face. With one or two exceptions, this response seeks to build on the IRP recommendations.

1. Basic allowances: The IRP recommends that the basic allowance (BA) for all Members be raised to £12,112. While this is based on the application of a standard percentage, we recommend that, in the interests of simplicity and ease of calculation, the allowance is fixed at £12,000 – being an increase of £500 on that paid currently which, in part, recognises the proposed removal of other benefits.
2. SRA Allowances: It is recommended that SRA allowances for the Leader, the Deputy Leader, Cabinet Members and Deputies be set in the context of the Basic Allowance, rather than the other way round. The IRP seeks to adjust the relationship between these allowances and that direction of travel is supported, but we believe that the present cabinet member SRA of approximately 3 times the BA is about right. Moreover, calculating these allowances as multiples of the Basic Allowance retains an historic principle, and we also consider that the IRP have underestimated the typical workload of Deputies. It is therefore proposed that:
  - a. The Leader receives a Special Responsibility Allowance of 4.5 times the BA
  - b. The Deputy Leader receives an SRA of 3.5 times the BA
  - c. The Cabinet Members receive an SRA of 3 times the BA
  - d. Deputies receive an SRA of an amount which is equal to the amount of the BA.

This formulaic approach replaces linking the Leader's SRA to that of an MP/ civil servant but we do not wish to accept the IRP's indexation proposals.

3. All other IRP recommendations for SRAs are accepted, with the following exceptions:
  - a) The Chairman of the Pensions Board should receive an allowance equal to that of a Scrutiny Chairman, reflecting the workload and scale of responsibility;
  - b) The IRP had recommended that the allowance for the Chairman of the Standards Committee be reduced to £5,000. This Committee has not met for a considerable period and we recommend that its chairmanship be subsumed into an expanded role for the Audit Committee Chairman.

4. The impact of all these proposals is summarised in the following table.

Office	Multiplier	Number	Proposed total entitlement (BA and SRA) £	Proposed payments £	Proposed total cost £
Basic Allowance		45	12,000	12,000	540,000
Leader	4.5	1	66,000	63,395	63,395
Deputy Leader	3.5	1	54,000	50,421	50,421
Cabinet Members	3	8	48,000	45,751	366,006
Deputies to Cabinet Members	1	11	24,000	24,000	264,000
Scrutiny Board Chairman	30%	1	28,200	28,200	28,200
Scrutiny Chairs	25%	3	25,500	25,500	76,500
D&R Committee	25%	1	25,500	25,500	25,500
<i>Audit Standards</i>			N/A	N/A	N/A
Audit & Standards Committee	25%	1	25,500	25,500	25,500
Pension Board Chairman	25%	0	25,500	0	0
Chair of Council	40%	1	33,600	33,600	33,600
VC Council	20%	1	22,800	22,800	22,800
Opposition Leader	30%	1	28,200	28,200	28,200
<b>Total</b>					<b>1,524,122</b>

5. It should be reiterated that the principle of “only one allowance” is retained; any member can only receive one special responsibility allowance at any time. This principle should also relate to any SRA for another body where the Council has nomination rights.
6. If, as now, there are two or more Opposition leaders with the same number of members in their groups then the SRA will be shared (in the case of 2 Opposition leaders, this would amount to £8,100 each with such shared SRA added to the basic allowance to give £20,100 to each).
7. At the outset of this Council in 2013, all members of the Cabinet agreed to a voluntary waiver of 3% of their SRAs with the intention that their remuneration would remain unchanged for the life of this Council, i.e. up to 2017. The Leader, Deputy Leader, and Cabinet Members now propose that this waiver be increased for the remaining life of this Council so as to leave their total remuneration (SRA

plus BA) unchanged. The impact of this proposal is shown in the following table

	Number	Proposed total entitlement (BA and SRA) £	Proposed payments £	Percentage waiver of SRA %
Leader	1	66,000	63,395	4.8
Deputy Leader	1	54,000	50,421	8.5
Cabinet Members	8	48,000	45,751	6.2

It is, of course, open to any other Member to waive any element of an SRA or indeed the BA if they wish.

8. Meals and subsistence: The recommendation that the provision of meals for which no specific charge is made be removed is accepted. The increase in the BA partly reflects the removal of this element of remuneration. However, the value that Members attach to the ability to have informal conversations over lunch is recognised. It is recommended therefore that a modernised and efficient method for the provision of lunches to Members in the Members Area be developed. All such lunches will be paid for by Councillors through an account management or payment card system to avoid large volumes of small cash transactions. Lunches will continue to be made available on County Council meeting days to all Councillors at their own expense, but on a much simplified buffet style basis. Members will also still be able to make use of the staff restaurant when they choose on a cash basis.
9. It is critical that there is a common methodology for providing subsistence payments, which operates across Councillors and Officers alike. We therefore propose to ask officers to initiate a review on this basis with a view to creating a regime which is robust, consistent and fair.
10. Financial impact:
  - The total cost of the proposed model would have been an additional cost of **£4,325** compared to this year's total cost of Members allowances.
  - However, as the Leader, the Deputy Leader and Cabinet Members intend to continue with voluntary waivers so that there is no change in the allowances received, there is overall an actual saving of **£19,853** on the proposed scheme costs.
  - The effect of these voluntary waivers is to contain the overall cost of Members allowances to £1,524,122 in a full year compared to the cost of £1,543,975 of

the current scheme. Of course, further mitigation of the cost of the new proposed scheme would take place if there were any other voluntary waivers.

- On top of this, we are eliminating food costs in the member dining area of approximately £22,000 per annum.
- **The total saving before any further voluntary waivers is therefore £41,853.**

11. We recommend that all the proposals take effect from the start of January 2016.

D. M. Finch  
Leader of the Council