

Members' Allowances Scheme

Members' Allowances Scheme: Report of the Independent Remuneration Panel

1. Background

It is a number of years since there has been a thorough review of the Council's scheme of allowances. The Council's Independent Review Panel last reported in 2010. It is timely therefore to ensure that the Scheme is still current and complies with up-to-date policies and that it properly recompenses councillors operating in a large, visionary local authority; bears comparison with other Councils; is completely transparent about what can or cannot be claimed; and is justifiable to the public.

In May, the Council appointed an Independent Remuneration Panel and agreed its Terms of Reference for reviewing the current Members' Allowances Scheme as follows:

Membership:

| Organisation / Role | Name |
|-------------------------------|-----------------|
| Chairman | Dr Declan Hall |
| Local resident | Mary Williamson |
| Local Business Representative | Elaine Oddie |

Role

1. To review the County Council's Members' Allowances Scheme, taking in to account the roles and responsibilities of Members (both in the Council and in serving their communities) set out in the County Council's agreed role profiles and elsewhere.
2. To take account of comparative data on the remuneration paid by other comparable local authorities in terms of size, location and budget and other non-local authority public sector organisations, social enterprises, charities and public sector or private sector companies.
3. To hear representations from elected Members.
4. To make recommendations to the Council on:
 - (a) the amount of Basic Allowance which should be paid to all Members;
 - (b) the responsibilities or duties for which Members should receive Special Responsibility Allowances and the amount of such allowances;
 - (c) the amount of the Childcare and Dependants' Carers' Allowances;
 - (d) Travelling and Subsistence Allowances;

- (e) Independent and Co-opted members' allowances;
- (f) whether allowances should be index-linked and if so what the suitable index might be;
- (g) the timing of implementation of the recommendations; and
- (h) the provisions within the Members' Allowances Scheme relating to meals when undertaking approved duties at County Hall.

2. Statutory Requirements

Under the Local Authorities (Members' Allowances) (England) Regulations 2003, every relevant local authority is required to review its Members' Allowances Scheme. In doing so, local authorities are required to establish and maintain an Independent Remuneration Panel, whose function is to provide the local authority with advice and recommendations on its scheme and the amounts to be paid.

Local Authorities must include in their scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances and a dependents' carer's allowance. In addition, the 2003 Regulations allow for the inclusion of a travel and subsistence allowance and a co-optees' allowance, within the allowances scheme.

The Regulations state that before a local authority makes or amends its scheme of allowances, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel. However, the Council is not obliged to abide by all or any of the panel's recommendations.

3. The Independent Remuneration Panel's Report

The Panel's report and its recommendations to the Council are set out in the Annex to this report. Having regard to those recommendations the Council is required to decide what amendments if any it wants to make to its scheme of allowances.

Recommended:

- (1) That the findings of the Council's Independent Remuneration Panel as set out in the Annex to this report be noted.
- (2) That the recommendations of the Council's Independent Remuneration Panel as set out in the Annex to this report be noted.
- (3) That any changes to the Members' Allowances Scheme which are agreed by Council come into effect from a date to be agreed by Council.
- (4) That the Council's Members' Allowances Scheme be amended accordingly.
- (5) That the Monitoring Officer be authorised to produce a revised Members' Allowances Scheme for incorporation in the Constitution based on the Council's decisions.

**A Review
Of
Members' Allowances
For
Essex County Council**

**A Report
By the
Independent Remuneration Panel**

**Dr Declan Hall (Chairman)
Elaine Oddie OBE
Mary Williamson**

August 2015

EXECUTIVE SUMMARY

| Allowances Payable | Essex County Council Basic Allowance & SRAs Schedule 2015/16 | | | | Essex County Council Panel Recommendations | | | |
|--------------------------------------|--|--------------------------------|--------------------|-------------------|--|----------------------|--------------------------|-----------------------------|
| | No. | Current BA & SRAs ¹ | Total £ Per Member | Sub Totals | No. | Rec'd BA & SRAs | Rec'd Total £ Per Member | Rec'd Sub Total £ |
| Basic Allowance | 75 | £11,500 | | £862,500 | 75 | £12,112 | | £908,400 |
| Executive SRAs | | | | | | | | |
| Leader | 1 | £53,500 | £65,000 | £53,500 | 1 | £50,000 | £62,112 | £50,000 |
| Deputy Leader | 1 | £40,125 | £51,625 | £40,125 | 1 | £37,500 | £49,612 | £37,500 |
| Other Cabinet Members | 8 | £35,310 | £46,810 | £282,480 | 8 | £33,300 | £45,412 | £266,400 |
| Deputy to Cabinet Member | 11 | £13,375 | £24,875 | £147,125 | 11 | £10,000 | £22,112 | £110,000 |
| Chairmen's SRAs | | | | | | | | |
| Scrutiny Board | 1 | £16,050 | £27,550 | £16,050 | 1 | £15,000 | £27,112 | £15,000 |
| Overview & Scrutiny Committees | 4 | £13,375 | £24,875 | £53,500 | 3 | £12,500 | £24,612 | £37,500 |
| Development & Regulation Committee | 1 | £13,375 | £24,875 | £13,375 | 1 | £12,500 | £24,612 | £12,500 |
| Audit Committee | 1 | £13,375 | £24,875 | £13,375 | 1 | £12,500 | £24,612 | £12,500 |
| Standards Committee | 1 | £13,375 | £24,875 | £13,375 | 1 | £5,000 | £17,112 | £5,000 |
| Pension Board | NA | | | | 1 | £5,000 | £17,112 | £5,000 |
| Council | 1 | £21,680 | £33,180 | £21,680 | 1 | £20,000 | £32,112 | £20,000 |
| Vice Chairmen SRAs | | | | | | | | |
| Council | 1 | £10,840 | £22,340 | £10,840 | 1 | £10,000 | £22,112 | £10,000 |
| Opposition Groups SRAs | | | | | | | | |
| Leader Main Opposition Group[s] | 1 | £16,050 | £27,550 | £16,050 | 1 | £14,500 ² | £26,612 | £14,500 |
| Leader Other Opposition Groups | 0 | NA | NA | | 0 | NA | NA | |
| Sub Totals: BA | | | | £862,500 | | | | £908,400 |
| Sub Totals: SRAs | 32 | | | £681,475 | 32 | | | £595,900³ |
| TOTAL (Maximum payable) | | | | £1,543,975 | | | | £1,504,300 |
| Savings (Maximum - potential) | | | | | | | | £39,675 |

Posts considered by the Panel to receive an SRA but not recommended

¹ The current Leader voluntarily forgoes 3% of his SRA, thus reducing it to £51,895, making a total of £63,395. Other post holders who currently voluntarily elect to forgo 3% of their SRA entitlement include the Deputy Leader, all 8 other Cabinet Members, 1 Deputy to a Cabinet Member and the Chairmen of the Health Overview & Scrutiny and Development & Regulation Committees.

² The total payable to Leader of Opposition Group[s] SRA is to be capped at £14,500. This SRA has been future proofed so it will vary depending upon size of a Main Opposition Group.

³ The SRA sub-total of £595,900 is the *maximum* payable per year under the Panel's recommendations. It is likely that less than £595,900 will be spent on SRAs per year due to the 1-SRA only rule.

- Opposition Spokespersons
- Members appointed to the Council Adoption and Fostering Panels

The Panel also recommends that:

Qualifying for a Main Opposition Group Leader[s] SRA

To qualify as a 'Main' Opposition Group it has to have a minimum of 7 members. All qualifying Opposition Group Leaders are to be paid an SRA on a pro rata basis out of a maximum Main Opposition SRA of £14,500.

Confirming the '1-SRA only' Rule

The allowances scheme continues to prohibit the receipt of more than 1 SRA regardless of the number of remunerated posts a Member may hold.

Co-optees' Allowances

The provision for a Financial Loss Allowance (FLA) is removed from the current scheme.

The four education Co-optees are not paid a Co-optee's Allowance but that they continue to be able to claim travel and subsistence allowances for attending approved duties both within and out of the county.

The Independent Person appointed to the Joint Standards Committee

The remuneration for the Essex County Council Independent Person appointed to the Joint Standards Committee remains at £500.

The Dependants' Carers' Allowance (DCA)

The current scope and level of reimbursements that are payable as a Dependants' Carers' Allowance is unaltered.

Discontinuation of the Members' meal provision and in-county subsistence

Members are no longer permitted to claim meal provision or subsistence allowance for undertaking approved duties within the county.

The Panel further recommends that the only exception to the discontinuation of direct subsistence provision to Members is when they attend meetings of Full Council at County Hall.

Subsistence Allowances

The Members' Allowances scheme is amended to reflect the discontinuation of in-county subsistence allowances and meal provision at County Hall, except for meetings of Full Council in the case of the meal provision.

For attending approved duties out of the county that the scope and level of Subsistence Allowances are unaltered.

Travel Allowances

The scope and level of Travel Allowances are unaltered.

Indexation

The following indices are applied to the remuneration and allowances paid to Members of Essex County:

- **Basic Allowance and SRAs:**
 - Indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.
- **Mileage Allowance:**
 - Adjusted in line with HMRC rates
- **Subsistence Allowances:**
 - The day subsistence allowances and overnight subsistence allowances should be indexed to the same percentage increase that may be applied by the Council to Officer day and overnight subsistence rates.
- **DCA:**
 - **Rates claimable for various categories of care:**
 - Indexed to the same percentage increase that the Council may apply to the Basic Allowance and SRAs

Implementation of Recommendations

Essex County Council implements the recommendations contained in this report from the date of their next full Council meeting following the publication of this report.

**THE
INDEPENDENT REMUNERATION PANEL
FOR
ESSEX COUNTY COUNCIL
A REVIEW OF MEMBERS' ALLOWANCES**

August 2015

Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the statutory Independent Remuneration Panel (the Panel) appointed by Essex County Council to provide advice on its Members' Allowances scheme.
2. The Panel was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) (the 2003 Regulations). These regulations, which arise out of the relevant provisions in the Local Government Act 2000, require all local authorities to maintain an independent remuneration panel (also known as an IRP) to review and provide advice to their council on Members' allowances. This is in the context whereby elected Members are able to determine their own levels of remuneration, and much of the scope and levels of other allowances/reimbursements.
3. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended members' allowances scheme.
4. In particular, the Panel has been reconvened under the 2003 Regulations [10. (50)], which states:

Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the

independent remuneration panel established in respect of that authority on the application of an index to its scheme.

5. The previous panel report recommended that Essex County Council applied an index to its allowance scheme but this recommendation was rejected and allowances have not been indexed since 2011. Therefore there is no requirement for ECC to review its scheme at this time, but the Council has chosen to review the scheme which is now four years old.

The Panel

6. Essex County Council reconvened its independent remuneration Panel consisting of the following members:

- Dr Declan Hall (Chairman): formerly a lecturer at the Institute of Local Government, The University of Birmingham, now an independent consultant specialising in members' allowances. A national representative.
- Elaine Oddie (OBE): Chair of Board of Essex Chamber of Commerce. An accountant who works in Chelmsford, with experience of being on Chelmsford City Council's Standards Committee and IRP. A local business representative.
- Mary Williamson MA: Parish Councillor, School Governor, member of School Appeals Panel and a retired Further Education Lecturer. A local resident.

7. The Review was supported and serviced throughout by the following Officers:

- Terry Osborne: Director for Corporate Law and Assurance and Monitoring Officer
- Joanna Boaler: Head of Democratic Services
- Andy Gribben: Council and Member Support Officer

Terms of Reference

8. The terms of reference were to review the County Council's Members' Allowances Scheme, taking in to account the roles and responsibilities of Members (both in the Council and in serving their communities) as set out in the County Council's agreed role profiles and elsewhere.

9. The Panel was also asked to take account of comparative data on the remuneration paid by other comparable local authorities in terms of size, location and budget and other non-local authority public sector organisations, social enterprises, charities and public sector or private sector companies.
10. To hear representations from elected Members.
11. To make recommendations to the Council on:
 - (a) The amount of Basic Allowance which should be paid to all Members;
 - (b) The responsibilities or duties for which Members should receive Special Responsibility Allowances and the amount of such allowances;
 - (c) The amount of the Childcare and Dependants' Carers' Allowances;
 - (d) Travelling and Subsistence Allowances;
 - (e) Independent and Co-opted members' allowances;
 - (f) Whether allowances should be index-linked and if so what the suitable indices should be;
 - (g) The timing of implementation of the recommendations
 - (h) The provisions within the Members' Allowances Scheme relating to meals when undertaking approved duties at County Hall.

Evidence Reviewed by the Panel

12. The Panel met at County Hall, Chelmsford on 8-9 June 2015 to hear and consider oral evidence from Members, receive and consider the written submissions from Members and briefings from Officers – see appendices one and two for details. The Panel also reviewed further written information pertinent to the review, such as meetings schedules, benchmarking data, statutory guidance, etc. See appendices three and four for further details.

Principles and Observations

Right to forgo all or part of allowances

13. There was a wide range of views presented to the Panel regarding the purpose of a Members' Allowances scheme and the nature of being an elected Member. There was a minority view that felt Members 'remuneration' in general was not appropriate and that an allowances scheme should ensure that Members were not out of pocket rather than provide recompense. Other Members took the view that the current levels of allowances do not reflect the time and responsibilities undertaken by elected Members and were not sufficient to attract a wider range of candidates. Others took a similar view but recognised that the allowances could not and should not be at a level that 'attracted' candidates but should at least recognise and compensate part of the time required to be a Member.
14. The Panel points out that the 2003 Regulations (13) specify that:

The scheme shall provide that a person may, by notice in writing given to the proper officer of the authority, elect to forgo his entitlement or any part of his entitlement to allowances.

15. Members who disagree with the level and scope of some or all of the allowances payable have the right to forgo all or part of their entitlement. In fact as pointed out in the executive summary a number of members at Essex elect to forgo 3% of their SRA (see footnote 1 for details).

Reducing Barriers and Providing Recompense

16. The Panel continues to be guided by the overarching principle that underpinned the previous review as laid out in the February 2010 Report namely,

to develop a scheme that properly recompenses Councillors operating in a large, visionary local authority; bears comparison with other Councils; is completely transparent about what can or cannot be claimed; and justifiable to a public [who have] become cynical about the issue generally.
17. The Panel consciously eschewed recommending allowances at a level to 'attract' high calibre candidates. It would result in recommending allowances at levels that would be difficult to justify publicly and in any case there was limited support for this principle. Rather the Panel has sought to recommend a scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become a Councillor without incurring undue personal financial cost. Allowances should provide a large degree of recompense for time spent and responsibility carried by Members.
18. On the other hand, the Panel recognises that an element of Members' work should be voluntary, given freely as a public service so that Members do not stand for and remain on the Council primarily for financial reasons.

Transparency

19. Representations made to the Panel emphasised that the recommendations and allowances scheme should be transparent so it can be understood how and why the allowances are being paid and for the scheme to be simple to operate. The transparency principle has led the Panel to take a consistent approach in how it has arrived at its recommendations so that both elected Members and the public understand the logic of the allowances payable.

The nature of Essex as a county and council

20. During its deliberations the Panel was struck by the fact that many of the SRAs payable in Essex are at the upper end of the comparative spectrum. With some

exceptions the Panel is not unduly alarmed at this context. The Panel feels by and large most allowances and the levels payable can be substantiated. This is particularly the case bearing in mind the fact that the county in general is large and diverse and Essex County Council is one of the largest principal councils in England, in terms of population, size and budget. It is an innovative and pioneering council that has a leading role on both the regional and national stage. To take but one dimension - partnership arrangements. Essex County Council has to work with in a number of ways:

- 12 Essex district councils
- 2 Essex unitary councils
- 5 Clinical Commissioning Groups
- 4 Acute Trusts
- The South East Local Enterprise Partnership (SELEP)

21. The SELEP is the largest LEP in England. Essex County Council is a complex organisation that has to work through multi-tiered partnerships. This is not the case with most of the comparator councils. The nature of the county and the council is such that the Panel would be more concerned if the allowances payable were not at the upper end of the comparative spectrum.

Recognising Current Economic Context and the Role of the Panel

22. While there was evidence indicating that some of the allowances, particularly the Basic Allowance, merit a thorough reconsideration, the Panel has to be aware of the economic context. The weight of the representations and evidence received by the Panel indicated that general increases in allowances or wholesale additional remunerated posts could not be justified. This has led the Panel to ensure that its recommendations do not increase the total spend on allowances and in fact, despite the fact that the Panel is recommending an increase in the Basic Allowance, the recommendations taken together could result in an annual saving in the order of £52,000.⁴
23. The secondary role of the Panel during this review has then been to address any anomalies arising due to legislative and structural changes over the last 4 years. In particular, the Panel has sought to correct any apparent incongruities that are apparent with the SRAs and not addressed by the rebalancing exercise.

Rebalancing the Basic Allowance and SRAs

24. The Panel recognises that this is an opportune moment to 'rebalance' the weighting of the current allowances scheme, specifically by funding an increase

⁴ Based on an estimated annual saving of approximately £15,000 and £7,000 by ending the blanket meal and drinks provision respectively. The maximum that could be paid out in Basic and Special Responsibility Allowances under the Panels' recommendations is £1,504,400 which would be a savings of £30,000 compared to the total paid out in Basic (£862,859) and Special Responsibility (£610,881) Allowances 2013/14.

in the Basic Allowance from small decreases in the SRAs. The Panel notes that on one level the Council has already carried out a rebalancing through the reduction in the number of Deputies to Cabinet Members from 16 to 11 and the voluntary elimination of 7 SRAs for Opposition Spokespersons, which means the number of SRAs (and consequently the total amount paid out in SRAs) has decreased since the previous review. As a result the current allowances scheme provides for a maximum of 33 SRAs and is now in line with the 2003 Statutory Guidance (paragraph 72) which states that: "If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified".

25. Nonetheless it remains that the SRAs in Essex County Council's Members' Allowances scheme are high, particularly regarding the most senior posts on the Council where the variation from the mean is most striking. Generally this is only how it should be, given the complex nature of the county and the concomitant responsibilities undertaken by Members but the comparative data indicates that the differential between the Basic Allowance and levels of SRAs is outside the normal range - by a further marginal rebalancing of the scheme through taking monies from SRAs to fund a recommended increase in the Basic Allowance this should no longer be the case.

The Panel's Recommendations - the Basic Allowance

Recalibrating the Basic Allowance

26. The Panel, in line with the 2003 Statutory Guidance (paragraphs 67-69), revisited the original variables utilised in arriving at the Basic Allowance in 2010 but updated for the most recent values available.
27. The 3 variables and their respective updated values are as follows:
- **Input:** 156 days per year
 - **Public Service Discount:** 33%
 - **Rate of Remuneration:** £116.46 per day
28. The expected minimum annual input of 156 days is based on the 2013 Councillors Census (LGA). This census shows that Members of 'shire counties' with no positions of responsibility on average put in 21.6 hours per week on "total" "council business".⁵ This equates to 156 days per year on a 7.75 hour working day.
29. The Public Service Discount is the element of a Members' time that is not remunerated and is given freely as public service or *pro bono publico*. One third is the typical size of the voluntary discount applied by Panels as it broadly reflects the proportion of time out of the total spent on council-related duties that is devoted to representing constituents, wards and local communities. Thus, out of the 156 days per year expected input for Members 52 days were assumed to

⁵ Specific information supplied to Dr Hall in an email from the LGA, 20 September 2014, and based on the raw data gathered for the publication of the 2013 Councillors Census

be unremunerated, leaving 104 remunerated days.

30. The updated rate of remuneration is based on the 2014 median daily pay (gross) for all full-time employees resident in the county.⁶ This is a change from the previous rate of remuneration that was based on advice to IRPs from the LGA, and was known as the LGA daily session rate and was updated annually. The LGA no longer provides this advice. Consequently the Panel has used a county-wide based rate of remuneration as it most closely reflects the median earnings of Members' constituents.
31. Thus the recalibrated Basic Allowance has been arrived at by applying the following formula as laid out in the 2003 Statutory Guidance:
 - 156 days annual expected average input – 52 days per year as a Public Service Discount
= 104 remunerated days per year
 - 104 days per year x £116.46 per day
= £12,112
32. The current Basic Allowance (£11,500), unchanged since 2010, has not kept pace with earnings. Although the Panel previously recommended the indexation of allowances, the Council chose not to apply any index. Moreover, since April 2014 Members are no longer permitted to join the Local Government Pension Scheme (LGPS) with existing Members already in the scheme being required to exit it once their current electoral term ends. This is deferred remuneration denied. In effect there has been a reduction in the Basic Allowance since the previous review.

Benchmarking the current Basic Allowance

33. As a further check, the Panel benchmarked the current Essex County Council Basic Allowance (£11,500) against that paid in the comparator councils utilised for the benchmarking group⁷.
34. This exercise was carried out to ascertain that by not “recalibrating” the current Basic Allowance whether it had significantly fallen behind that paid in peer authorities. The Panel has not been driven by the comparative remuneration figures but used them for simply placing the current Basic Allowance in context and to test out whether there is an external reason to recommend the recalibrated Basic Allowance.
35. The average Basic Allowance paid in the benchmarking group is £11,134, which statistically is not a significant variation on the current Essex Basic Allowance of

⁶ Based on 2014 median gross annual pay for all full time employees resident in the county, which is £30,279. This equates to £116.46 per day. See Annual Survey of Hours and Earnings (ASHE), Table 8.7a Annual pay (gross) for all full time employee jobs, UK 2014, Office of National Statistics.

⁷ See notes to Appendix 4 for details on how the benchmarking group of 11 councils was arrived at.

£11,500. While benchmarking does not provide a strong external case to recalibrate the Essex Basic Allowance it is noted that the Basic Allowance paid in the two most comparable county councils, Kent and Hampshire is £12,805 and £12,003 respectively. Widening the comparative net somewhat further it is noted that the Basic Allowance for all Councillors in Wales is £13,300 and in Scotland it is £16,726 - where all councils are unitary authorities in both countries.

36. Non-executive directors (NEDs) appointed to NHS Trusts receive £6,157 per year for a time commitment of at least 2.5 days per month and NEDs appointed to NHS Foundation Trusts typically receive £10,000 - £14,000 for a similar time commitment⁸. When compared to NED appointments in the NHS the recalibrated Basic Allowance represents value for money.
37. However, there is a strong internal reason to recommend the recalibrated Basic Allowance by linking it to the removal of direct meal provision to Members. The recommended Basic Allowance has to be understood in the context of the Panel's recommendation on Members' meal provision, as part of a *quid pro quo* process.

Discontinuation of the Members' meal provision and in-county subsistence

38. As in the 2010 review, the direct provision of Members' meals in the dedicated Members area emerged as an important issue, albeit with no overwhelming consensus on how to move forward. Currently, and less typically these days, the Members are able to come to County Hall and as long it is an approved duty they have a dedicated Members lounge where they are able to have a meal by signing for it. The question is whether this meal provision is still justified.
39. There was some misconception on the part of some Members who supported the continuation of subsistence for Members, whether as an allowance or as meals provided directly (as is currently the situation in the vast majority of cases). There was a view that the right of Members to claim reimbursement of subsistence while on approved duties was 'a condition of service' in that Members were entitled to it by virtue of being a Councillor. This is not the case. Subsistence allowances used to be statutory, as an allowance that could be claimed by Members for carrying out approved duties at maximum rates set by the Secretary of State. This statutory right ended on 31 December 2003.
40. The Local Authorities (Members' Allowances) (England) Regulations 2003 SI 1021 (or the 2003 Regulations) which came into force on 1 January 2004 and subsistence allowances became discretionary (see paragraphs 8.1 and 10.2.c). Increasingly, councils are choosing not to provide meals or subsistence allowances for approved duties within their council area. This has been partly driven by the desire to save money, partly by the MPs' expenses scandal but because subsistence provision/allowances is seen as mainly a left-over from a different era, namely one where they did not receive any meaningful remuneration. Now that Members are receiving a not insubstantial remuneration

⁸ See advert for appointment as Non-executive Director of Mid Essex Hospital Services NHS Trust, September 2014, <http://www.ntda.nhs.uk/wp-content/uploads/2014/09/Information-pack-PDF-429KB1.pdf>

the entitlement to claim a subsistence allowance or have meals provided directly is much diminished. It is certainly not a condition of service. For instance Kent County Council no longer provides meals or has a subsistence allowance that can be claimed by Members for undertaking approved duties within the county.

41. Much of the rest of the representation supporting the continuation of meal provision rested on the argument that by providing meals in a dedicated Members eatery or dining area-cum-lounge it creates a place where Members can meet informally and network with other Members. These two issues, meal provision and a place to network/liaise informally with other Members have become concomitant where it is not necessarily the case.
42. The Members area can be maintained and the Council can ensure Members still have access to coffee/tea and dining facilities but where they have to pay for any subsistence taken. It is hard to justify to the public that Members warrant a free meal for just turning up. It is not a cost that results from their Councillor role, a Member would have to eat at lunchtime regardless.
43. Consequently, the Panel can see no reason to change the position it took at the time of the previous review where it stated

The dining area could remain as a facility for members to meet and have informal discussions. The provision of a fridge and microwave would mean that members could store and heat up meals which they have brought into the building or they could visit the main restaurant and pay for their food and drink.⁹

44. **The Panel recommends that Members are no longer able to claim a meal provision or subsistence allowance for undertaking approved duties within the county.**
45. However, based on representations received the Panel has made an exception for full Council. It is the one occasion when all Members are expected to be at County Hall and Council can last a full working day or more. Moreover, there was the supplementary argument in that by keeping a meal provision for full Council it would add to the efficiency of conducting business. If Members were required to obtain their meals elsewhere it would mean longer meal break[s] and take longer to reconvene meetings. In addition, it is the council equivalent of a 'high' day and as such can be seen as an exception to the rule. The Panel accepted these arguments and the Members should continue to have a meal provision when attending full Council.
46. **The Panel recommends that the only exception to the discontinuation of subsistence provision to Members is when they attend full Council meetings at County Hall.**

Recommending the Basic Allowance

⁹ Panel Report on reviewing allowances for Essex County Council, February 2010, page 3.

47. On the figures (2014/15) supplied to the Panel the discontinuation of subsistence for Members undertaking duties within the county (full Council excepted) will result in an annual savings of more than £22,000 (approximately £15,000 on meals and £7,470 on refreshments). Taking into account that Members will no longer be provided meals as routine, that the Basic Allowance has remained static for more than 5 years and loss of benefits arising from membership of the LGPS, the Panel has concluded that the recalibrated Basic Allowance is appropriate.
48. **The Panel recommends a Basic Allowance of £12,122.**

Recommending SRAs - The Leader

49. The SRA for the Leader of Essex County Council has historically been linked to the salary of an MP, in that the sum of the Basic Allowance and SRA paid to the Leader equals that of an MP. The link with MPs salary has served its purpose and the Panel has decided to break that link, particularly in light of the proposal to increase MPs salaries from £67,000 to £74,000.
50. The current SRA for the Leader is £53,500, which reflects the level of a MPs salary in 2010. Benchmarking shows the SRA for the Leader is among the highest in the comparator councils, where the Leaders' mean SRA is £33,867. It is difficult to draw meaningful analogies with other Essex-wide public posts as they are not strictly comparable and the range of remuneration received is varied to say the least.
51. The only two other Essex-wide comparative posts are the Chair of the Essex Fire Authority, whose remuneration is determined locally, with an SRA of £15,400, and the Essex Police and Crime Commissioner, whose remuneration is determined nationally, with a total remuneration of £85,000, which only serve to highlight how difficult it is finding meaningful analogous posts to the Leader of Essex County Council. In the adjacent London Borough Councils the most recent (2014) report by the Joint IRP for London Councils the recommended SRA for a London Borough Council Leader was £54,769, with a recommended Basic Allowance of £10,703. The role of Essex County Council Leader and ordinary Member is larger than that in any London Borough Council, based on population, geographic size, budget and complexity.
52. The June 2015 consultation by the Independent Parliamentary Standards Authority (IPSA) on MPs' pay drew comparisons between a MP's role and pay with others it felt to be comparable in both the public and private sectors. It shows the mean total remuneration of a basket of comparable roles in the public sector to be £100,495 whereas the median total remuneration of private sector directors to be £106,869. The Office of National Statistics does not publish average earnings for council areas and type of occupation, but it does by region and occupation.¹⁰ It shows that "corporate managers and directors" in the East of England have a mean gross salary of £53,183 - although most of these

¹⁰ See Annual Survey of Hours and Earnings (ASHE), Table 3.7a Annual pay (gross) for all full time employee jobs, UK 2014, Work Region Occupation, Office of National Statistics.

corporate managers and directors will not oversee an organisation the size of Essex with an overall services budget of just under £1.8 billion.

53. As with the Basic Allowance, when compared to Chairs of NHS Foundation Trusts the Leader's remuneration represents value for money. For instance, the remuneration for the advertised post of Chair of the Colchester Hospital NHS Foundation Trust in December 2014 was £45,000 per year for 3 days per week, which is the full-time equivalent of £75,000 per year.¹¹ However, Chairs of other NHS Trusts are typically remunerated approximately £24,000 (Band 1) but again this is for the equivalent of 3 days per week for chairing sub-county bodies that are smaller than Essex County Council, with smaller budgets and with the post holder having fewer powers than the Leader of the Council, not to mention longer lines of public accountability. Moreover, this 'standard' remuneration for Chairs of NHS Trusts (Band 1) can be and is regularly set higher by individual trusts in response to market conditions.
54. In the vast majority of cases, chairs of boards of directors of private companies with a similar turnover to Essex County Council are remunerated a great deal more than the Leader currently receives. However, the Panel recognises that such a comparison to the private sector is not strictly analogous and 'market' rates cannot be applied to Members' remuneration.
55. The Panel has always been content with the fact that the Leader's SRA is at the higher end of the local government comparative spectrum. As noted above, Essex is a large and complex county and that particularly affects the role of the Leader and other senior Members. Previously the Panel has consciously recognised the sub regional agenda that the Leader was increasingly required to address, an agenda which continues albeit with a greater Essex-wide dimension. A particular development since the last review is the burgeoning regional agenda. While the SELEP is an example of this, with concomitant demands on the Leader (and Deputy Leader) it is clear that the devolution agenda will be a pressing issue for the Leader once the imminent legislation is passed and its implementation rolled out.
56. Another change since the previous review is the implementation of the relevant provisions of the Local Government and Public Involvement in Health Act 2007, namely the requirement to have a strong leader executive model of governance. This has put further responsibility on the Council Leader. Finally, while there is no legal requirement for the Leader of Essex to be full-time the post holder, regardless of whom they may be, is effectively full time in the post and is prohibited from being able to earn an outside living by virtue of holding the Leader's office. This is not the case in all the comparator councils.
57. However, in line with the principle of rebalancing the BA and SRAs and the need to find further monies to pay for the recommended Basic Allowance the Panel has reduced the Leader's SRA by rounding it down to £50,000.
58. **The Panel recommends that the SRA paid to the Leader of Essex County Council should be £50,000.**

¹¹ <http://www.veredus.co.uk/job/chair-jobid-16836>

The Deputy Leader

59. The Deputy Leader's SRA, as with most of the SRAs, was originally set in accord with the 2003 Statutory Guidance (paragraph 76) in that it was arrived at by assessing it as a ratio of the Leader's role. By definition the Leader will be 100% in terms of workload and responsibility and the SRA for the Deputy Leader was set at 75% of the Leader's SRA, which equates to £40,125.
60. A ratio of 75% is comparatively high, with the typical range being 55-65%. However, the Deputy Leader role is an active one with the post holder also holding a portfolio, which is not always the case in the peer authorities, as well as stand-in for the Leader when required. Again the Deputy Leader of Essex has historically been deemed to be the equivalent of a full-time role.
61. The Panel found no reason to alter the current ratio of 75% and has arrived at the Deputy Leader's recommended SRA by setting it at 75% of the Leader's recommended SRA which equates to £37,500.
- 62. The Panel recommends that the SRA for the Deputy Leader of Essex County Council is £37,500.**

The Other Executive (Cabinet) Members (8)

63. The SRA for the other Cabinet Members (portfolio holders) has been set at a pro rata of 66% of the Leader's SRA, which equates to £35,310. The mean SRA paid in the benchmarking groups is £19,195 but unlike in Essex most of these posts in the comparator councils are not deemed to be the equivalent of full time. The Cabinet Members are responsible for some of the largest portfolios in local government and the current ratio of 66% has been maintained, which equates to £33,300.
- 64. The Panel recommends that the SRA for the other Executive (Cabinet) Members for Essex County Council is £33,300.**

Deputies to Cabinet Members (11)

65. The Deputies to Cabinet Members, of which there are currently 11, receive an SRA of £13,375, on a par with the Committee Chairmen and set at 25% of the Leader's SRA. The equivalent post does not always exist elsewhere, it is only paid in 6 out of the 11 comparator councils with a mean SRA of £8,839.
66. Unlike the Chairmen of Committees which are either statutory committees (Scrutiny) or undertake a statutory function (Audit) there is no formal legal recognition of the post of Deputy to a Cabinet Member. The Panel understands that they assist and support their designated Cabinet Member with a specific remit in shaping and developing the strategic priorities of the Council as it relates to the allocated portfolio with the exception of the exercising of any executive function. They also have a role in monitoring performance in areas relating to the allocated portfolio. In this they are given discrete tasks to undertake and look into

issues in more depth and report back to their Cabinet Member. There is also an element of succession planning, creating a cadre of Members who are competent and able to step up to being a Cabinet Member if and when required.

67. Representation was made asking the Panel to make a recommendation to lower the number of remunerated Cabinet Deputies. However, it is not for the Panel to comment on how the Council decides to organise itself - the Panel's main role is to assess the size of the respective roles under consideration and whether they merit remuneration and at what level. On the other hand, the Panel also has a remit in relation to the total cost of the allowances scheme and the relative cost of supporting respective council functions carried out by Members.
68. On balance the Panel recognised that all 11 Deputies to Cabinet Members contribute to the effective operation of the Council and the executive. Yet, it remains a somewhat 'nebulous' role. Deputies to the Cabinet Members have limited constitutionally-defined responsibilities and their individual workloads and responsibilities are partly dependent on their working relationship with their respective Cabinet Member, which appears to be variable.
69. The Panel finds it difficult to justify a SRA on a par with the Committee Chairmen - their workload may be similar but responsibilities are not, at least in constitutional terms. Consequently, the Panel has recalibrated the SRA for Deputy to Cabinet Member at 20% of the Leader's SRA, which equates to £10,000.
70. **The Panel recommends that the SRA for the Deputies to the Cabinet Members is £10,000. The Panel further recommends that no more than 11 such posts are remunerated at any one time but if there were less than 11 the Panel would support a corresponding pro rata increase in the SRA for Deputies to Cabinet Members.**

Chairman of the Scrutiny Board

71. The SRA (£16,050) for the Chairman of the Scrutiny Board has been set at 30% of the Leader's SRA. The mean SRA for equivalent posts in the comparator councils is £11,141 although only 5 out of the 11 peer councils remunerate such a post. The Scrutiny Board comprises of the Chairmen of the four Scrutiny Committees (one of which will always chair the Scrutiny Board) and the Audit Committee and is charged with overall responsibility for the direction and management of the Council's overview and scrutiny functions and co-ordination of the work of the Overview and Scrutiny Committees. The Chairman of the Scrutiny Board is paid a 5% (of Leader's SRA) premium for chairing what is effectively a central management committee for scrutiny.
72. No evidence was received to indicate that the current ratio of 30% required revising and as such should be maintained vis-à-vis the Leader's revised SRA, which now equates to £15,000.
73. **The Panel recommends that the SRA for the Chairman of the Scrutiny Board is £15,000.**

Chairmen of the Overview and Scrutiny Committees (3)

74. There are four Overview and Scrutiny Committees and currently the allowances' scheme provides for all four of the Chairmen to receive an SRA of £13,375, set at 25% of the Leader's SRA. However, as one of these Chairmen always chairs the Scrutiny Board only 3 SRAs for Chairmen of the Overview and Scrutiny Committees are actually paid under the 1-SRA only rule.
75. **The Panel recommends that the allowances scheme is amended to reflect constitutional reality by clarifying that there are only 3 SRAs payable to Chairmen of the Overview and Scrutiny Committees as the fourth Overview and Committee Chairman will be chairing the Scrutiny Board and will be in receipt of the relevant SRA.**
76. The mean SRA for equivalent posts in the comparator councils is £8,159 although there are generally more overview and scrutiny committees in other councils. For instance, in Hampshire the chairmen of overview and scrutiny committees receive a lower SRA (£11,586) but Hampshire remunerates the Chairs of six such committees (5+1) as opposed to four in Essex (1+3). Hampshire County Council also pays its Scrutiny Vice-Chairmen an SRA of £2,901. Lancashire which also has 3 scrutiny committees whose chairman receives an SRA of £7,397 but the Vice Chairman also get an SRA of £3,477.
77. While there is no suggestion of remunerating Vice-Chairmen of Committees of Essex County Council when the broader comparative picture is brought into focus the 'comparatively' high SRAs for all committee chairmen in Essex do not look quite as out of sync as they do on first appearance. Moreover, all the Overview and Scrutiny Chairmen in Essex are expected to regularly chair at least some of their committee's respective task and finish working groups where much of the work of scrutiny is undertaken.
78. The Panel received no evidence to suggest that the current ratio of 25% of the Leader's SRA requires revising. **The Panel recommends that the SRA for the 3 Chairmen of Overview and Scrutiny Committees (excluding the 4th committee chairman who chairs the Scrutiny Board) should be £12,500.**

Chairman of the Development & Regulation Committee

79. The SRA for the Chairman of the Development & Regulation Committee has been set as with all remunerated Committee Chairmen at 25% of the Leader's SRA, currently £13,375. The mean SRA for the equivalent post in the comparator councils is £9,055 although that does not take into account councils that also pay their Vice-Chairman, such as in Suffolk where the SRA for the Chairman of its Planning and Regulatory Committee is £12,000 but the Vice-Chairman's SRA is £1,500, thus the members' remuneration in relation to the Planning and Regulation functions is greater than in Essex.
80. The Development & Regulation Committee's remit includes a range of statutory functions such as mineral and waste planning applications, school applications and relevant licensing, registration and enforcement matters. It is an active

committee, meeting 12 times per year. The Panel received no evidence that the 25% ratio is no longer appropriate.

- 81. The Panel recommends that the Chairman of the Planning & Regulation Committee is paid an SRA of £12,500.**

Chairman of the Audit Committee

82. The Chairman of the Audit Committee is paid an SRA of £13,375. The mean SRA for this post in the comparator councils is £9,055 where it is regarded as a main committee as in Gloucestershire and £5,843 where it is regarded as a 2nd-tier committee, such as in Lancashire. At present Essex does not make this type of distinction between main and 2nd-tier committees. This benchmarking is subject to the normal health warning in that it does not take account of comparator councils that also remunerate Audit Vice-Chairmen or indeed those comparator councils who rely heavily on Co-optees appointed to their Audit Committees who are in turn paid a Co-optees Allowance - which is not the case in Essex.
83. The Audit Committee only meets quarterly but the work of the committee has grown since the previous review, as the Audit function has become more important in local government. The Chairman is also expected to liaise, develop relationships and work with both internal and external auditors and there is also a large element of reading and understanding reports of a complex financial nature. The Panel confirms that the current operational ratio of 25% of the Leader's SRA used to arrive at the SRA for the Chairman of the Audit Committee is still appropriate.
- 84. The Panel recommends that the Chairman of the Audit Committee is paid an SRA of £12,500.**

Chairman of the Joint Standards Committee

85. The Council has maintained a Standards Committee, as a Joint Committee that serves both the County Council and Essex Fire Authority. The Chairman is always a County Member who in line with the current model in Essex receives an SRA paid at the same level £13,375 as other committee chairmen.
86. There has been a significant change in the Standards regime since the last review. The Localism Act 2011 discontinued the requirement to maintain a stand-alone Standards Committee; it is no longer a statutory requirement to have one. More importantly the Standards Committee now has a lesser remit and fewer powers than it did at the time of the last review.
87. Benchmarking is of limited value in this instance as not all the comparator councils have maintained a Standards Committee, as is the case in Birmingham, Hampshire Hertfordshire, Kent, Lancashire, Suffolk and Surrey to name but a few of the comparator councils. These councils will have arrangements in place, whether ad hoc or standing, to hear any complaints against Members that

reaches such a stage but the consequences of the Localism Act 2011 means such meetings are so infrequent and workload so light that the Chairmen have not been deemed to hold a 'significant' enough level of responsibility to merit an SRA.

88. Alternatively where the residual Standards functions are still dealt with by a Standards Committee it has typically merged with an Audit or Governance Committee as is the case for Warwickshire, where the Chairman's SRA is £4,277. This has usually been done as it has been accepted that the Standards function does not merit a stand-alone committee in its own right and a remunerated Chairman.
89. The reality for the Joint Standards Committee is that the workload and responsibility is not what it was and the number of formal meetings has greatly reduced - to the extent that it has only formally met once for the past 2 years and currently has no scheduled meetings for the coming year. Moreover, the powers it can exercise have been much reduced, e.g., it can no longer suspend a Councillor.
90. Yet, the Chairman still has a role to undertake at a more informal level, most notably, when a complaint against a Member is received. Now complaints are almost always resolved informally by the Monitoring Officer in consultation with the new post of Independent Person and Chairman of the Joint Standards Committee so that the issue is resolved before it goes before the Committee for consideration. The Standards Committee has now become the last, rather than first, means for considering complaints against Members.
91. Nonetheless, the current SRA is no longer justified and should be recalibrated by setting it at 10% of the Leader's SRA.
92. **The Panel recommends that the SRA for the Chairman of the Joint Standards Committee is £5,000.**

The Chairman and Vice-Chairman of Essex County Council

93. Currently the Chairman and Vice-Chairman of the Council receive an SRA of £21,680 and £10,840 respectively. They can claim back travel and subsistence for attending functions as Chairman and Vice Chairman of the Council, which the Panel supports as this is a different case from that of the other Members attending approved duties. Nonetheless, out of their SRA they have to meet their own day-to-day expenses, including appropriate clothing, that invariably arise from representing the Council at public and other events they have to attend. Benchmarking shows that Chairmen/Mayors and Vice-Chairmen/Deputy Mayors receive a mean SRA of £13,915 and £5,338 where an SRA is paid, which occurs in 7 out of the 11 comparator councils. The remaining 4 Councils pay their equivalent posts a 'Civic Allowance' which is outside the remit of the Panel as it is an allowance payable under s3(5), and s5(4) of the Local Government Act 1972 rather than arising from the Local Government Act 2000. The 1972 Act permits a principal council to pay the chair and vice-chair of that

council an allowance which it thinks reasonable for the purpose of meeting the expenses of those offices.

94. However, in line with the Council's policy on transparency the Council has chosen to forgo its right to pay a Civic Allowance to its civic heads and to pay them via a SRA that has to be published in the allowances scheme.
95. Both the Council Chairman and to a lesser extent the Vice-Chairman roles are very time consuming not simply in relation to chairing council meetings but in representing the County at numerous events. No representation was received that suggested the SRA paid to the Council Chairman and Vice-Chairman required adjusting and the current ratios, 40% and 20% of the Leader's SRA are still applicable.
96. **The Panel recommends that the Chairman of the Council is paid an SRA of £20,000 and the Vice-Chairman paid an SRA of £10,000.**

The Opposition Group SRAs – Leaders of the Opposition Groups

97. The Essex County Council Members' Allowances scheme provides for an SRA of £16,050 for the Leader of the Main Opposition Group, which was set at 30% of the Leader's SRA. The mean SRA for equivalent posts in the comparator councils is £9,669.
98. However where two or more of the largest Opposition Groups are of equal size the Opposition Leaders have voluntarily agreed that the SRA (£16,050) that would normally be paid to the Leader of the Main Opposition Group is divided equally amongst the respective largest Opposition Group Leaders. This is currently the case where the two largest Opposition Groups are Labour and the Liberal Democrats with 9 members each. Consequently each Group Leader receives an SRA of £8,025.
99. The fracturing of traditional political loyalties and the rise of multi-party politics at both the national and local level means that the current formal approach is not as best fit as it could be. It is possible to have a Main Opposition Group of 19 Members, with its Leader getting an SRA of £16,050 (on current levels) and another Opposition Group of 18 Members whose Leader would receive nothing - this does not meet the Panel's principle of equity.
100. **The Panel recommends that the current SRA for Leader of the Main Opposition Group is replaced with an Opposition Group Leaders SRA. No evidence was received to suggest that the current ratio of 30% (of the Leader's SRA) utilised to arrive at the Opposition Group Leader's SRA was flawed: the Panel has reset it at 29%, which now equates to £14,500. It has done so to ensure a consistent approach in that no post holder currently in receipt of an SRA receives a higher total remuneration than present once the recommended increase in the Basic Allowance is taken into account.**
101. **Out of this SRA (£14,500) all Opposition Group Leaders are to be paid an SRA on a pro rata basis subject to a qualification, namely that an**

Opposition Group has to have 10% of the Council membership, defined as 7 Members.

102. Under the current political configuration, only the Labour and Liberal Democrat Opposition Groups meet the qualifying criteria and therefore will each receive an SRA of £7,250 (£14,500, which is 9 group members divided by 18 total Opposition Group Members) subject to the Panel's recommendations being adopted by Council.
103. For illustrative purposes, the third largest Opposition Group on Essex County Council is currently the UKIP Group with 6 Members. If the UKIP Group was to gain an additional member, for instance, via a by-election and take a seat from Labour, under the revised arrangements the UKIP Group Leader would be entitled to a pro rata share of the Opposition Group Leaders SRA set at 7/24 of the £14,500 available, which is £4,229. In turn, the Labour Opposition Leader would be reduced to 8 Members and would receive 8/24 of the Opposition Group Leaders SRA, which is £4,833. The Leader of what would then be the Main Opposition Group (Liberal Democrats in this example) would receive 9/24 of £14,500, which equates to £5,438. The Panel feels this approach is more equitable rather than the current winner takes all arrangement.

The Opposition Spokespersons

104. Representation was received that drew attention to the Panel's recommendation from its previous review for an SRA of £1,337 (2.5% of the Leaders' SRA) to be paid to 7 Main Opposition Group Spokespersons, which the Council adopted but subsequently discontinued with the emergence of the 3 largest Opposition Groups of the same size after the May 2013 elections, since reduced to 2.
105. These representations suggested that there is a case to reinstate the Opposition Spokespersons' SRA but the main point being made was that the Opposition collectively got a very small proportion of the SRAs payable and total paid out in SRAs. The Panel is not recommending the restitution of the Main Opposition Group Spokesperson SRAs as the conditions that led to Council discontinuing these SRAs have not fundamentally altered.
106. It is pointed out that the Council goes beyond the statutory minimum requirements of the 2003 Regulations which obliges the Council to pay at least 1 Opposition Member an SRA where a council is controlled by one or more political groups and an Opposition Group is registered as a party group under the relevant provisions of the Local Government and Housing Act 1989.
107. Furthermore the Panel has gone some way to addressing the proportionality argument by providing for all Opposition Group Leaders to be paid a pro rata SRA as long as their respective group has at least 7 Members. Indeed, the recommendation of this Panel to pay a pro rata SRA to all Opposition Group Leaders who qualify could potentially apply to up to five Opposition Group Leaders if they each had 7 members in their group.

108. Another suggestion to address the proportionality argument was for the Council to rotate Chairmen of Committees to include Opposition Members. How the Council chooses to organise itself is outside the remit of this Panel and it feels unable to make a comment in this regard. The Panel simply notes under the proportionality requirements of the Local Government Act 2000 that there is no requirement to allocated committee chairs on a politically proportional basis.

SRAs Arising - Members on the Adoption and Fostering Panels

109. The Council, as the responsible corporate parent of cared for children, are the 'court' of final resort to consider appeals against adoption and fostering decisions. Members are appointed to these Panels to undertake what is a quasi-judicial function. Representation was received arguing that these Members merited a SRA for their work on Adoption and/or Fostering Panels. It is not unknown for these posts to be remunerated, for instance Gloucestershire County Members on its Adoption and Fostering Panels each get an SRA of £5,460.
110. However, the Panel has decided not to make a recommendation regarding these posts, there not being enough evidence received to support the proposal.

Member Champions

111. The Panel was asked to recognise the work undertaken by Member Champions. The Panel is not making a recommendation regarding the role of Member Champions. Although they are assigned a designated lead topic it is organised on an informal basis and the particular lead or topic any Member may undertake at any particular time is a fluid one. Moreover, the Constitution (3.8.1) in enunciating the "roles and responsibilities of all Members" makes clear that all Members are expected to be a champion for the Council and their local division and therefore the Panel considers the role of Member Champion to be already remunerated through the Basic Allowance.

Chairman of the Essex Pension Fund Board

112. Representation was received supporting a new SRA - for the Chairman of the Essex Pension Fund Board. The Pension Fund Board exercises on behalf of the Council all of the powers and duties of the Council in relation to its functions as Administering Authority of the Essex Pension Fund except where they have been specifically delegated by the Council to another Committee or to an officer. This also includes overseeing the work of the Essex Pension Fund Investment Steering Committee.
113. The Chairman of the Pension Fund Board is also ex officio the Chairman of the Investment Steering Committee, both of which meet at least on a quarterly basis. Moreover, the on-going reform of pensions in general and the Local Government Pension Scheme (LGPS) in particular means that the Chairman has to keep up with on-going legislative changes. Interestingly the equivalent post is remunerated in 7 of the 11 comparator councils with a mean SRA of £6,204. The

Panel is content to recommend an SRA for the Chairman of the Essex Pension Fund Board and has decided that the post is at the very least on a par with the Chairman of Standards and the SRA be set at 10% of the Leader's SRA.

- 114. The Panel recommends that the Chairman of the Essex Pension Fund Board is paid an SRA of £5,000.**

Other Issues Arising - Annual Statements by Members

115. The Panel was also asked to revisit the recommendation it made in 2010 that Members produce an annual statement that highlights activities and achievements in the previous year, or alternatively come forward with a similar or another recommendation in the same vein. The rationale behind this request was that it would counteract 'public suspicion over the payment of allowances.'
116. The context in 2010 that led the Panel to recommend that Members produce an annual statement has now abated, and the Panel's recommendation to discontinue the blanket meal provision should clear up the lingering 'public suspicion.' The Council did adopt the recommendation in 2010 but it turned out to be bureaucratic, placing a large significant burden on Officers. Moreover, the annual statements were superseded when Council put in place a committee information system on its website that publishes Members' attendance records for committees and development sessions as well as other relevant information, such as appointments to community and outside bodies.
117. The Panel received no evidence that in the main Members were not undertaking both the formal and wider community-related duties expected of them, indeed quite the opposite.
118. Consequently the Panel feels that there is no need to revisit the recommendation on annual statements by Members.

Confirming the '1-SRA only' Rule

119. In line with good practice, **the Panel recommends that the allowances scheme continues to prohibit the receipt of more than 1 SRA regardless of the number of remunerated posts a Member may hold.**

Other Allowances – The Co-optees' Allowances

120. Presently there are four Co-optees (2 diocesan and 2 lay) appointed under the Local Government Act 2000 to the relevant scrutiny committee with responsibility for education.
121. Although not claimed the allowances scheme provides for these Co-optees to claim a Financial Loss Allowance (FLA), capped at £52.49 per day for attending any approved duty in respect of their responsibilities. **The Panel recommends that this provision for a Financial Loss Allowance (FLA) is removed.** Under

the 2003 Regulations there is no authority to pay such an allowance within the scope of a Members' Allowances scheme.

122. The Council may pay a Co-optees Allowance under the 2003 Regulations but no evidence was received to pay such an allowance. **The Panel does not recommend that the four education Co-optees are paid a Co-optee's Allowance.**
123. **The Panel further recommends that the Co-optees continue to be able to claim travel and subsistence allowances for attending approved duties both within and out of the County.**

Independent Member on the Joint Standards Committee

124. The Localism Act 2011 replaced the national conduct regime with the requirement to adopt a local code of conduct. Section 28 of the Act also requires an authority to put in place arrangements under which it can investigate an allegation of a breach of a code made in writing and, if it is considered that an investigation is warranted, requires the authority to appoint at least one independent person whose views must be sought after it has made an investigation and before it takes a decision. It allows members who have had an allegation made against them to seek the views of the independent person if they wish. The Council and Fire Authority have jointly appointed two Independent Persons to advise the Council and Members who are paid £500 per year.
125. Under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015/881 the Independent Person, appointed under the Localism Act 2011 has acquired an additional responsibility. The new regulations replace the statutory protection that required an appointment of a Designated Independent Person (DIP) to investigate any allegation of misconduct against statutory officers. In the place of a DIP process, any decision will now be taken by full Council, which must consider any advice, views or recommendations from a panel which must include at least two independent members, the conclusions of any investigation into the proposed dismissal, and any representations from the officer concerned.
126. In the case of a proposed dismissal of a statutory officer the Council is required to invite at least two Independent Persons who have been appointed for the purposes of the members' conduct regime under section 28(7) of the Localism Act 2011 to sit alongside councillors on a panel that must consist of a minimum two Independent Persons.
127. The Panel acknowledges that a nominal fee of £500 per year is paid to the Independent Persons and this does not seem unreasonable. However, this has not been the subject of any in-depth review by the Panel as this fee falls outside the Members' Allowances Scheme
128. **The Panel recommends that the remuneration paid to the Essex County Independent Person remains at £500.**

The Dependants' Carers' Allowance (DCA)

129. No representation was received suggesting that the reimbursements and levels claimable under the Dependants' Carers' Allowances needed revising.
130. **The Panel recommends that the current scope and level of reimbursements paid under the Dependants' Carers Allowance is unaltered.**

Subsistence Allowances

131. The Panel has already recommended that subsistence allowances for attending approved duties within the county and the general meal provision at County Hall be discontinued.
132. **The Panel recommends that the necessary amendments are made to Appendix 2 of the Members' Allowances scheme to reflect the discontinuation of in-county subsistence allowances and meal provision at County Hall, except for Full Council meetings in the case of the meal provision.**
133. No issues were raised regarding the Subsistence Allowances for attending approved duties out of the County. **The Panel recommends that the scope and level of Subsistence Allowances are unaltered in this regard.**

Travel Allowances:

134. No issues were raised regarding the Travel Allowances for attending approved duties both within and out of the County. **The Panel recommends that the scope and level of Travel Allowances are unaltered.**

Indexation

135. The Panel has traditionally recommended that allowances should be subject to indexation - it helps ensure they maintain their relative value and negates the need for periodic significant increases in allowances. The Council has not adopted indexation since the last review in 2011. The Council has every right not to apply any relevant index. The Panel was advised that the Council can only apply indexation to allowances within the period of four years from the most recent panel review.
136. The authority to index all or any of the Essex County Council Members' allowances based on the Panel's previous report has now lapsed.
137. **The Panel recommends that the following indices are applied to the remuneration and allowances paid to Members of Essex County Council:**
- **Basic Allowance and SRAs:**
 - Indexed to the annual percentage salary increase for local government

staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.

- **Mileage Allowance:**
 - Adjusted in line with HMRC rates.

- **Subsistence Allowances:**
 - The day subsistence allowances and overnight subsistence allowances should be indexed to the same percentage increase that may be applied by the Council to Officer day and overnight subsistence rates.

- **DCA:**
 - **Rates claimable for various categories of care:**
 - Indexed to the same percentage increase that the Council may apply to the Basic Allowance and SRAs.

Implementation of Recommendations

138. **The Panel further recommends that Essex County Council implement the recommendations contained in this report from the date of their next full Council meeting following the publication of this report.**

Appendix One: Information received by the Panel

1. Panel's terms of reference
2. Essex County Council, Members' Allowances scheme, 2015-16
3. Independent Remuneration Panel, Essex County Council, Review of the Members' Allowances scheme, 9 February 2010
4. Roles and Responsibilities of those in receipt of an SRA at Essex County Council
5. Terms of reference of the Cabinet and other Council Committees
6. Terms of reference of Overview and Scrutiny Committees
7. List of meetings May 2014- May 2016
8. Structure Committee diagram of Essex County Council 2015
9. Member expenses 2013-2014
10. Member meal offer 2015
11. Member Poster and Member Map
12. Mileage Claim system - claims form
13. Presentation by Panel Chairman, Reviewing Allowances: the current scheme, issues to consider and benchmarking
14. Email to Dr Hall, Councillors mean weekly hours by council and whether a post is held, based on 2013 Councillors Census, 20 September 2014
15. Annual Survey of Hourly Earnings (ASHE), Table 8.7a Annual pay (gross) for all full-time employee jobs, Home Geography, UK 2014, Office of National Statistics.
16. Annual Survey of Hours and Earnings (ASHE), Table 3.7a Annual pay (gross) for all full-time employee jobs, Work Region Occupation, UK 2014, Office of National Statistics.
17. Independent Parliamentary Standards Authority, MPs Pay in the 2015 Parliament: A Consultation, June 2015

Appendix Two: Members and Officers who met with the Panel

Members:

| | |
|------------------|---|
| Cllr J. Aldridge | Vice-Chairman of the Council (Conservative) |
| Cllr S. Barker | Deputy to the Cabinet Member for Adults and Children (Conservative) |
| Cllr K. Bentley | Deputy Leader of the Council and Conservative Group and Cabinet Member for Economic Growth, Infrastructure, Waste and Recycling |
| Cllr D. Finch | Leader of the Council and Conservative Group |
| Cllr R. Gooding: | Cabinet Member for Education and Lifelong Learning (Conservative) |
| Cllr I. Grundy | Chairman of the People and Families Scrutiny Committee (Conservative) |
| Cllr N. Hume | Chairman of the Council (Conservative) |
| Cllr M. Mackrory | Leader of the Liberal Democrat (Opposition) Group and Chairman of Corporate Scrutiny Committee |
| Cllr J. Pike MBE | Chairman of the Standards Committee (Conservative) |
| Cllr C. Pond | Leader of Non-Aligned Independent (Opposition) Group |
| Cllr J. Spence | Cabinet Member for Finance (Conservative) |
| Cllr S. Walsh | Chairman of the Scrutiny Board and the Place Scrutiny Committee (Conservative) |

Officers (Briefings):

| | |
|----------------|---|
| Terry Osborne: | Director for Corporate Law & Assurance and the Council's Monitoring Officer |
| Joanna Boaler: | Head of Democratic Services |

Appendix Three: Written Submissions Received by the Panel

| | |
|--------------------|--|
| Cllr J. Abbott | Leader of Green (Opposition) Group |
| Cllr S. Barker | Deputy to the Cabinet Member for Adults and Children (Conservative) |
| Cllr M. Danvers | Labour Member |
| Cllr D. Finch | Leader of the Council and Conservative Group |
| Cllr R. Hirst | Cabinet Member for Customer Services, Libraries, Planning & the Environment (Conservative) |
| Cllr N. Hume | Chairman of the Council (Conservative) |
| Labour Group | A collective written submission on behalf of the Labour (Opposition) Group |
| Cllr N. Le Gresley | UKIP Member |
| Cllr M. Mackrory | Leader of the Liberal Democrat (Opposition) Group and Chairman of Corporate Scrutiny Committee |
| Cllr J. Pike MBE | Chairman of the Standards Committee (Conservative) |
| Cllr J. Reeves | Chairman of Health Overview & Scrutiny Committee (Conservative) |
| Cllr J. Spence | Cabinet Member for Finance (Conservative) |
| Cllr K. Twitchen | Deputy to the Cabinet Member for Customer Services, Libraries, Planning & the Environment (Conservative) |

Appendix Four: Benchmarking* against Essex County Council - other Councils and elsewhere

| BM1 Essex County Council Benchmarking: BA + Executive + Council + Scrutiny SRAs | | | | | | | | | | | |
|--|-------------------|----------------|---------------------|---------------------|--------------------------|-----------------------|---------------------------------|-------------------------|------------------------------|-------------------------------------|---------------------------------|
| Council | Population | BA | Leader's SRA | Total Leader | Deputy Leader SRA | Cabinet Member | Deputy to Cabinet Member | Chairman Council | Vice-Chairman Council | Main Scrutiny Board Chairman | Scrutiny Chairs or Leads |
| Birmingham | 1,085,000 | £16,287 | £50,352 | £66,639 | £37,764 | £28,197 | | Civic Allowance | Civic Allowance | | £12,689 |
| Gloucestershire ¹² | 602,000 | £9,100 | £27,300 | £36,400 | £18,200 | £18,200 | | £9,100 | £2,730 | | £5,460 |
| Hampshire | 1,330,000 | £12,003 | £28,967 | £40,970 | £17,379 | £17,379 | | Civic Allowance | Civic Allowance | | £11,586 |
| Hertfordshire | 1,129,000 | £9,781 | £39,124 | £48,905 | £29,343 | £19,562 | £9,781 | £9,781 | £2,445 | £14,672 | |
| Kent | 1,480,000 | £12,805 | £42,109 | £54,914 | £27,370 | £27,370 | £12,632 | £13,878 | £7,367 | | £7,367 |
| Lancashire | 1,176,000 | £10,362 | £29,590 | £39,952 | £20,713 | £16,274 | £8,137 | Civic Allowance | Civic Allowance | £7,397 | £5,178 |
| Suffolk | 732,000 | £10,274 | £25,684 | £35,958 | £17,979 | £15,411 | £5,137 | £12,842 | £5,137 | £5,137 | £5,137 |
| Surrey | 1,144,000 | £12,418 | £43,000 | £55,418 | £31,250 | £22,500 | £12,500 | £18,000 | £8,000 | £12,000 | £10,000 |
| Warwickshire | 548,000 | £9,172 | £22,970 | £32,142 | £13,782 | £10,243 | | £5,504 | £2,752 | | £5,504 |
| West Sussex | 815,000 | £11,251 | £32,362 | £43,613 | £22,718 | £19,506 | £4,847 | £28,297 | £8,935 | | £8,935 |
| Worcestershire | 569,000 | £9,020 | £31,074 | £40,094 | £16,500 | £16,500 | | Civic Allowance | Civic Allowance | £16,500 | £9,735 |
| BM Group mean | 964,545 | £11,134 | £33,867 | £45,000 | £23,000 | £19,195 | £8,839 | £13,915 | £5,338 | £11,141 | £8,159 |
| <i>Essex</i> | <i>1,407,000</i> | <i>£11,500</i> | <i>£53,500</i> | <i>£65,000</i> | <i>£40,125</i> | <i>£35,310</i> | <i>£13,375</i> | <i>£21,680</i> | <i>£10,840</i> | <i>£16,050</i> | <i>£13,375</i> |

¹² Gloucestershire permits more than 1 SRA per member so the real remuneration of post holders may be higher in reality

| BM2 Essex County Council Benchmarking: Committee and Opposition SRAs | | | | | | | | | | |
|---|-------------------|--------------------------------|------------------------------------|-------------------------------------|--|---------------------------------------|---------------------------------------|-------------------------------|---------------------------|----------------------------------|
| Council | Population | Main Committee Chairmen | 2nd Tier Committee Chairmen | Leader Main Opposition Group | Deputy Leader Main Opposition Group | Shadow Cabinet or Spokesperson | Leader 2nd Opposition Group[s] | Local or Area Chairmen | Pension Fund Chair | Chair or Lead on P&CP |
| Birmingham | 1,085,000 | £14,803 | £5,659 | £12,689 | £6,545 | £2,618 | £5,287 | £10,574 | | |
| Gloucestershire | 602,000 | £5,460 | | £5,850 | | £1,500 | £5,850 | | £5,460 | £5,808 |
| Hampshire | 1,330,000 | £11,586 | £5,793 | £11,214 | | £5,076 | £8,911 | | £5,793 | |
| Hertfordshire | 1,129,000 | £9,781 | | £7,113 | | £4,891 | £6,669 | | | |
| Kent | 1,480,000 | £9,268 | £7,367 | £8,624 | £4,312 | £3,235 | | £7,367 | £7,367 | |
| Lancashire | 1,176,000 | £7,397 | £2,959 | £16,274 | £8,137 | | £8,877 | | £7,397 | |
| Suffolk | 732,000 | £5,137 | | £7,705 | £5,779 | £3,052 | £4,623 | | £5,137 | |
| Surrey | 1,144,000 | £12,000 | £9,000 | £5,000 | | | | £8,000 | £8,000 | £8,000 |
| Warwickshire | 548,000 | £5,504 | £4,277 | £7,791 | £4,769 | Formula | £7,791 | | £4,277 | |
| West Sussex | 815,000 | £8,935 | | £14,361 | | | £14,361 | | | |
| Worcestershire | 569,000 | £9,735 | | £9,735 | | | | | | |
| BM Group mean | 964,545 | £9,055 | £5,843 | £9,669 | £5,908 | £3,395 | £7,796 | £8,647 | £6,204 | £6,904 |
| Essex | 1,407,000 | £13,375 | | £5,350 | | | £5,350 | | | |

**BM3: Essex County Council Benchmarking:
Salaries of other posts considered for benchmarking purposes**

National/Devolved Representatives

- MPs: £67,060 due to rise to £74,000
- Member of the (NI) Legislative Assembly: £48,000
- Member of the Scottish Parliament: £59,089
- Member of the Welsh Assembly: £54,391

Essex Posts

- **Essex Fire Authority:**
 - Basic Allowance: £4,400
 - Chair: £15,400
- **Essex Police & Crime Commissioner: £85,000¹³**

Other Sub/Regional Posts

- **London-wide**
 - Mayor of London: £143,911
 - Deputy Mayor of London, Transport & Chair of Transport for London: £131,901
 - Chair of London Assembly: £64,744
 - London Assembly Members: £53,973
 - Chair London Pension Funds Authority & Chair of Investment Committee: £50,800
 - Chair of London Councils (13/14): £20,997
- **London Councils (recommendations 2014)**
 - Basic Allowance: £10,703
 - Leader: £54,769
 - Deputy Leader, Cabinet & Chairs of main O&S: 70-80% of Leaders' SRA
 - Scrutiny, Regulatory & Council Chair & Main Opposition Leader: 40-60%
- **Elected Mayors (principal councils): £69,171 (mean¹⁴)**

¹³ Size of role not specified

¹⁴ Based on recent work undertaken by IRP Chairman for Manchester Combined Authority

Scotland and Wales

- **Scotland**
 - Basic Allowance: £16,726
 - Leader (Glasgow): £50,180 (inclusive)

- **Wales**
 - Basic Allowance: £13,300
 - Leader (Cardiff): £53,000 (inclusive)

Other

- **Essex Salaries** (ASHE 8.7a Home Geog Annual Gross F/T All 2014)
 - Median: £30,279
 - Mean: £39,222
 - 80th percentile: £49,013
 - 90th percentile: £65,018

Table 1: MPs' pay & total reward compared to others (public and private sectors)

IPSA Consultation June 2015

| | Basic Salary (£) | MP as % of Comparator | Total Reward (£) | MP as % of Comparator |
|--|-------------------------|------------------------------|-------------------------|------------------------------|
| MP | 67,060 | 100% | 75,785 | 100% |
| Public Sector comparators updated for 2015 salaries | | | | |
| Head teacher – National grade L31 | 79,872 | 84% | 88,578 | 86% |
| Police - Chief Superintendent pay point 3 | 83,094 | 81% | 93,730 | 81% |
| Senior Civil Service Grade 1 | 89,900 | 75% | 108,780 | 70% |
| County Council, 2nd Tier, England | 84,601 | 79% | 95,599 | 79% |
| Armed Forces – Colonel, pay point 1 | 84,037 | 80% | 113,114 | 67% |
| Health - HR Directors | 91,984 | 73% | 103,170 | 73% |
| Public sector average | 85,581 | 78% | 100,495 | 75% |
| Private Sector Directors | | | | |
| Lower Quartile | 78,724 | 85% | 91,073 | 83% |
| Median | 92,243 | 73% | 106,897 | 71% |
| Upper Quartile | 117,739 | 57% | 138,989 | 55% |

*** Notes on the Essex County Council Benchmarking Group utilised for the Independent Review of Allowances June 2015**

Understanding the Essex County Council Other Councils Benchmarking Group

The benchmarking group was drawn from three sub groups which were:

Sub Group 1: The 6 other local authorities over 1million population

1. Kent
2. Hampshire
3. Lancashire
4. Surrey
5. Hertfordshire
6. Birmingham

Sub Group 2: CIPFA 6 Nearest Neighbours (2014)

7. Kent
8. Hampshire
9. West Sussex
10. Warwickshire
11. Worcestershire
12. Gloucestershire

Sub Group 3: Immediate Geographical Neighbours¹⁵

13. Suffolk

Kent and Hampshire are included in Sub Groups 1 and 2, leaving a total of 11 other councils utilised for benchmarking purposes.

¹⁵ Cambridgeshire was not included as it has committee system of governance