



Mid Sussex Report of the Independent Remuneration Panel on the review of Members' Allowances 2023/2024

Mr Neil Gershon (Chair)
Ms Jane Henry
Ms Jane Rothwell



7th December 2022

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CHAIRMAN'S FOREWORD

I am pleased to present the report and recommendations of the Independent Remuneration Panel for Mid Sussex District Council, relating to the financial year 2023/24.

There were no resignations from or appointments to the Panel.

The Panel's discussions focused on the level of the Basic Allowance and the factors used to determine Special Responsibility Allowances (SRA's). In respect of the former the Panel took into account the rate of price inflation (CPI) and the forthcoming reduction in the number of Councillors. In respect of the latter the Panel was advised that there had been no material changes in workloads that might have affected the allowances paid to those in receipt of SRA's and consequently did not seek to revisit any of the established linkages.

The Panel wrote to all Councillors inviting comments on the level of the basic allowance and on the amounts paid for SRA's. Eight Councillors responded to our letter, and we comment on those responses in the body of this report. We met with one Councillor who had requested a meeting and also with the Leader of the Council.

The Panel took into account data from other councils in West Sussex and the matters referred to above. **We concluded that an increase in the Basic Allowance to £5,700 (an increase of £500) was reasonable and we recommend the increase but with effect from 1 May 2023 for reasons adduced in the body of the report.**

In the light of the advice we received concerning workloads relating to SRA's we noted that there had been no material changes and consequently we make no recommendations for any changes to the factors used to determine those payments. We learned, however, that there are discussions in progress which might lead to the reduction in Scrutiny Committees from three to two but that no decision was likely before the publication of our report. **Accordingly, we recommend that should this decision be taken the cost of the SRA's (Chair and Vice Chair) be taken as an in year saving on the budget for Councillors' Allowances.**

The Panel recommends no changes to ancillary allowances for matters such as mileage and meals. We re-iterate our view that such allowances should remain tied to those approved by HMRC for the re-imbursment of expenses necessarily incurred. Similarly we recommend maintaining the link between the National Living Wage and the rate paid for dependent care.

The additional costs of our recommendations are £1,302 a year or 0.31% of the current budget.

Neil Gershon

December

2022

INTRODUCTION

This Independent Remuneration Panel has been appointed by Mid Sussex District Council to consider and make recommendations for the 2023/24 financial year. The Panel comprises Neil Gershon (this year's Chair), Jane Henry and Jane Rothwell. Their terms of appointment and a short biography are set out at Appendix A.

TERMS OF REFERENCE

The Panel is required to make recommendations to Mid Sussex District Council on their schemes of allowances. The terms of reference, in so far as they relate to Mid Sussex District Council, are to make their recommendations:

- a) On the amount of Basic Allowance which should be payable to its Elected Members;
- b) About the roles and responsibilities for which a Special Responsibility Allowance should be paid and the amounts thereof;
- c) About the duties for which travelling and subsistence allowances should be paid and the amounts thereof;
- d) As to whether co-optees to committees should receive allowances and the amounts thereof;
- e) As to whether the Council's scheme should include an allowance in respect of arranging for the care of children and dependents and if so, the amount thereof.

WORK OF THE PANEL

The Panel wrote to all Members of the District Council seeking views relating to allowances and expenses and received replies from eight individual Councillors, five of these being a suggestion that the rate of inflation be taken into account. Other suggestions included the possibility that an allowance be paid to members of Planning Committees (two) and a proposal for a radical restructuring of part of the system of allowances with a view to reducing the amounts paid to Committee Chairman and Vice-chairman and introducing an allowance for committee membership.

The Panel met with one Councillor to discuss his proposals and with the Leader for a general discussion.

The Panel met twice between September and November 2022, and also communicated over this period by email. These meetings planned the review, evaluated the evidence received and debated its findings, before formulating both draft and final reports containing its recommendations.

The Panel laid great weight on affordability in the current economic climate and aimed to ensure that our recommendations did not have a material effect on the budget.

We therefore make our recommendations accordingly.

Consideration and Recommendations

1. Basic Allowance

The Panel once again examined the record of Basic Allowance rates since the system was introduced in July 2001. Allowances paid since 2010 are detailed below:

Year	Recommended Rate	Adopted Rate (£):	Percentage increase on previous year	Percentage rate of inflation in same year <small>(Sept CPI of Previous Year)</small>
2010/11	4738	4738	0	4.48
2011/12	4501	4501	-5.0	2.83
2012/13	4501 plus increase in line with Local Government Pay Settlement for 2012/13	4501	0	2.56
2013/14	4501	4501	0	1.69
2014/15	4501 plus increase in line with Local Government Pay Settlement for 2014/15	4501	0	Source: inflation.eu Historic average inflation rate based upon Consumer Price Index (CPI).
2015/16	4501	4501	0	0
2016/17	4620	4620	2.5	1.0
2017/18	4736	4736	2.5	3.0
2018/19	4878	4878	3	3.0
2019/20	5000	5000	2.5	2.2
2020/21	5100	5100	2	1.7
2021/22	5100	5100	0	0.7
2022/23	5100	5200	2	3.1

The reduction in the number of councillors from 54 to 48 in May 2023 provides a saving equivalent to six Basic Allowances. However, at the same time it represents an increase in the population notionally represented by each Councillor of some 10 – 11%. Together with the rate of the CPI (10.1% at time of writing) the Panel felt there was a strong case to apply the saving referred to as an increase in the Basic Allowance of £500 an increase of 9.6% and one that allowing for the multiplier effect of the SRA factors would make full use of the saving produced by the reduction in numbers.

The Panel recommends therefore that the basic Allowance be increased to £5,700 but with effect from 1 May 2023 being as close as possible to the election of the new Council.

The Panel noted that this increase would still leave the Mid Sussex allowance within the +/- 5% tolerance compared to the average in West Sussex without taking into account any proposed increases that might be applied within other District Councils.

2. Special Responsibility Allowances

In its previous report the Panel finalised its work in providing factors to enable the linking of all SRA's to the Basic Allowance. We received no information to suggest that there had been any material change in the workloads relating to SRA's therefore we make no recommendations for change.

We did note that there are discussions under way that might lead to a reduction from three to two of the Scrutiny Committees but that this decision was not imminent and if taken would certainly come after our report was presented to Council. Should such a decision be taken then the saving arising from the abolition of one post each of chair and vice chair (£5,100 at current rates) should be taken as an in year saving on the budget for Councillors Allowances.

3. Travelling and Subsistence Allowance

The Panel received one general comment on the level of mileage allowances and none on any other allowances. Whilst the Panel is sympathetic to the rising cost of motoring we do not feel that the Council should deviate from the allowances deemed appropriate by HMRC and we recommend therefore that these allowances continue to be linked to those deemed acceptable by HMRC.

Detail	Recommended Rate
Vehicles	
Car Mileage	45p per mile
Car Passenger Mileage Rate	3p per mile for 1 passenger 5p per mile for 2 or more passengers
Cycling Allowance	20p per mile
Subsistence	
Breakfast	£7.00
Lunch	£10.00
Tea	£4.00
Evening Meal	£13.00
Overnight Out of Pocket Expenses Per night	£6.00
Overnight Out of Pocket Expenses Per week	£24.00

4. Childcare and Dependent Carer's Allowances

4.1. Childcare Allowance

The Panel agreed that this allowance should remain linked to the National Living Wage rate. Payment will be on receipt-based actual costs up to a maximum rate of £11.00 per hour for one child, or a maximum of £22 per hour for two or more children.

4.2. Dependent Carer's Allowance

The Panel agreed that the existing payment of receipt-based actual costs, up to a maximum rate of £22 per hour was appropriate.

4.3 Cycling Allowance

The Panel makes no recommendation for change.

5. Other Matters

We had an interesting discussion with one Councillor who had suggested that the allowance paid to chairs and vice chairs of committees should be reduced and standardised. In addition, he proposed that all committee members should be paid an allowance in order to encourage others to join committees and/or to better remunerate those who already sat on them. However, to achieve this would have required a freezing of the basic allowance, a reduction in the amounts paid to chairs and vice chairs and a redistribution of the savings referred to earlier in order to pay for the additional allowances without increasing the budget.

The Panel considered the proposals made but agreed that the priority was to recognise the increased workload for all Councillors and the current rate of inflation both of which supported the Panel's view that an increase in the basic allowance for all Councillors would be a fairer outcome.

6. Summary of Recommendations

The Panel's recommendations for Basic and Special Responsibility Allowances are summarised in the table below (rounded to the nearest whole pound).

Role	Current Allowance (£):	Recommended Allowance (£):
Basic Allowance	5,200	5,700
Leader's Allowance	20,800	22,800
Deputy Leader's Allowance	11,000	11,400
Cabinet Member	42,500 (8,500 x 5)	45,600 (9,120 x 5)
Chairman of the Council	6,750	7,410
Vice-Chairman of Council	2,250	2,470
2 x Planning Committee Chairman	13,000 (6,500 x 2)	14,250 (7,125 x 2)
2 x Planning Vice-Chairman	3,250 (1,625 x 2) 25% of Planning Chairman's allowance	3,562 (1,781 x 2) 25% of Planning Chairman's allowance
Licensing Committee Chairman	1,040	1,140
Standards Committee Chairman	1,040	1,140
Group Leader	250 per group member	250 per group member
3 x Scrutiny Committee Chairman	12,480 (4,160 x 3)	13,680 (4,560 x 3)
3 x Scrutiny Vice-Chairman	3,120 (1,040 x 3) 25% of Scrutiny Chairman's allowance	3,420 (1,140 x 3) 25% of Scrutiny Chairman's allowance
Audit Committee Chairman	3,060	3,420
3 x Independent Persons for Standard Matters	2,250 (3 x 750)	2,250 (3 x 750)

The additional cost of the Panel's recommendations is £1,302 representing 0.31%.

The Panel recommends that Members should continue to only be entitled to claim one Special Responsibility Allowance, with the exception of allowance paid to the Group Leaders.

ACKNOWLEDGEMENTS

The Panel would like to extend its thanks to those who took the time to reply to our request for comments. We would also like to offer our collective thanks to the Member Services Team, for their research and administrative support of our work this year.

**Neil Gershon
Jane Henry
Jane Rothwell**

APPENDIX A
Panel Membership

Members of the Independent Panel for the Review of Members' Allowances are appointed for a four-year term:

Name	Term ends
Neil Gershon	31 July 2023
Jane Henry	31 July 2023
Jane Rothwell	31 July 2023

BIOGRAPHICAL INFORMATION

Neil Gershon

Neil Gershon spent his working life in the University sector during which time he was responsible amongst many other matters for HR and was involved in remuneration committees for non-academic staff. He retired from the post of Registrar at the University of Sussex in 2004. He is currently the Chairman of Furnihelp Mid Sussex, a local furniture recycling charity. He lives in Haywards Heath.

Jane Henry

Jane qualified in both Law and Social Work before working as a social worker in West London. Jane has lived the majority of her life in Sussex and is now taking a break from paid employment to raise 3 young children.

Jane Rothwell

Jane had a career in HR working in the Financial Services Sector initially working for NatWest Bank before moving to a HR Consultancy company based in the City, specialising in Recruitment, Training & Development & Outplacement. She managed teams of 80 plus people, most were self-employed consultants, and was involved in all operational matters including annual pay reviews for her team. She happily took early retirement in 2015 and has since retrained to become a Magistrate working in West Sussex courts. Jane has been living in West Hoathly since 2015.

APPENDIX B
Members and Officers Interviewed

The Panel wishes to acknowledge and thank those who were able to spare the time to attend face-to-face discussions:

Leader of the Council

Solicitor to the Council

Councillor Gibson