



Mid Sussex Report of the Independent Remuneration Panel on the review of Members' Allowances 2021 / 2022

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



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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 2021/22.

There were no resignations from or appointments to the Panel.

The Panel's discussions were held against the background of the extraordinary circumstances arising from the impact of the COVID 19 pandemic. In particular the Panel took note of the Council's projected financial position resulting primarily from the extensive changes to its income streams. In addition the Panel noted that inflation as measured by the Consumer Prices Index was extremely low (0.5%). 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 Special Responsibility Allowances.

The Panel wrote to all Councillors suggesting that in the current circumstances it was minded to recommend that there should be no changes to the current rates at which allowances were paid and invited comments on this suggestion. We received responses from the Conservative Group and from three individual Councillors all agreeing to the Panel's proposal for no increases in the allowance rates. There was one suggestion concerning the Leader's allowance and we deal with this in the body of the report.

Accordingly, the Panel concluded that there should be no change to any of the allowances currently paid to Councillors nor to any of the previously approved linkages that affect the payment of many Special Responsibility Allowances.

The Panel recommends one caveat to its blanket approach in respect of the rate for childcare and dependents allowances as this rate has been expressly linked to the National Living Wage. The Panel recommends that the rate paid remain so linked and it would therefore rise from £9.00 to £9.50 an hour.

The Panel also notes that a recruitment process took place during 2020 for the Independent Members for the Standards Committee, due to the conclusion of the terms of office. Based on advice of the Committee on Standards in Public Life, three Independent Members for Standards were appointed (as opposed to two) for a four year term. This results in an increase of £750 per year in that area.

The Panel notes that the Allowances for the Leader, Deputy Leader, Cabinet Members and the Chair of Council have yet to be linked to the Base Allowance. It hopes that sufficient information will become available for next year's review to allow further recommendations on linkages to be made.

There is no net cost arising from the panel's recommendations other than any that might arise from claims for childcare and dependent allowances which by definition cannot be quantified at this stage, and the additional recruitment relating to the Independent Members for Standards.

Neil Gershon
December
2020

INTRODUCTION

This Independent Remuneration Panel has been appointed by Mid Sussex District Council to consider and make recommendations for the 2021/22 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 the Conservative Group and from three individual Councillors. The Panel had discussions with officers but in the unusual circumstances did not meet with any members nor were there any requests from members to meet the Panel.

The written and oral evidence received by the Panel indicated that the level of the Base Allowance was considered reasonable.

The Panel met twice between September and November 2019, 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 had the benefit of forecasts from officers of the Council's projected financial position.

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
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

In light of the current and projected economic conditions and the views expressed by Councillors the Panel recommends **no change to the Basic Allowance which should remain at £5,100.**

2. Special Responsibility Allowances

2.1. Leader, Deputy Leader and Cabinet Members

The Panel would have wished to begin the process of linking these allowances to a multiple of the Basic Allowance. However, circumstances were not conducive to this work being undertaken and the Panel hopes to return to the issue next year.

One response to the panel's invitation to Councillors to comment suggested that an increase to the Leader's Allowance should be considered. The Panel was aware that the allowance paid to the Leader of MSDC was significantly higher than the average paid within West Sussex Districts (by 33%) and felt that there was no justification to support increasing that differential.

There was no evidence to suggest justification for changes to the allowances paid to the Deputy Leader or Cabinet Members.

Accordingly the Panel recommends no change to these Allowances.

2.2. All Other Special responsibility Allowances

The Panel learned that there had been no material changes to the workloads for which Special Responsibility Allowances were paid and makes **no recommendations for any changes in these allowances.**

2.3 Future Work

The Panel hopes to be able to conduct a more substantial review for 2022/2023 and also hopes to undertake work towards establishing the correct multiples for allowances paid to Cabinet Members including the Leader and Deputy Leader.

2.4 Conclusions

In the light of the evidence presented to the Panel and the representations received the Panel recommends the following:

That there should be no changes to any allowances in 2021/2022

3. Travelling and Subsistence Allowance

No representations were received on the current levels of Travel and Subsistence allowances. We recommend that these allowances continue to be linked to those deemed acceptable by HMRC and note that HMRC increased the recommended rate for subsistence in July 2017.

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 rate¹. Payment will be on receipt-based actual costs up to a maximum rate of £9.50 per hour for one child, or a maximum of £19 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 £19 per hour was appropriate.

4.3. Cycling Allowance

The Panel makes no recommendation for change.

5. Frequency of Panel Review

This review has been undertaken in extraordinary circumstances. The Panel expects to be able to conduct a more conventional review next year and specifically to focus on completing its work in linking Special Responsibility Allowances to the Basic Allowance.

¹ www.livingwage.org.uk

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	5,100	No change
Leader's Allowance	20,596	No change
Deputy Leader's Allowance	11,000	No change
Cabinet Member	8,500	No change
Chairman of the Council	6,750	No change
Vice-Chairman of Council	2,250	No change
2 x Planning Committee Chairman	12,750 (6,375 x 2)	No change
2 x Planning Vice-Chairman	3,188 (1,594 x 2) 25% of Planning Chairman's allowance	No change
Licensing Committee Chairman	1,020	No change
Standards Committee Chairman	1,020	No change
Group Leader	250 per group member	No change
3 x Scrutiny Committee Chairman	12,240 (4,080 x 3)	No change
3 x Scrutiny Vice-Chairman	3,060 (1,020 x 3) 25% of Scrutiny Chairman's allowance	No change
Audit Committee Chairman	3,060	No change
3 x Independent Persons for Standard Matters	1,500 (2 x 750)	2,250 (3 x 750)

The net cost of the changes proposed in the report is £750 relating to the additional recruitment of the Independent Members for Standards.

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. She is Vice-Chair of the BSUH Maternity Voices Partnership.

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:

Solicitor to the Council

MSDC Committee Structure

