



Report of the Independent Remuneration Panel on the review of Members' Allowances 2025

April 2025

Mr Paul Goldfinch (Chair)
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Introduction

- 1.1 The Independent Remuneration Panel (IRP) was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 (UK Statutory Instruments 1021). These regulations require all local authorities to establish and maintain an Independent Remuneration Panel to review and provide advice on Members' allowances on a regular basis.
- 1.2 Councillors are required to have regard to the recommendations made by the Panel when deciding on its Scheme of Allowances. In addition to the 2003 Regulations, the Panel considered Guidance on Members Allowances for Local Authorities issued in 2006 by the Department of Communities and Local Government.
- 1.3 By way of reminder, Council agreed in December 2022 to defer the recommendations proposed by the Independent Remuneration Panel for the year 2023/2024 until after a Constitution review had taken place (opting at that time to keep allowances at the 2022 level). The recommendations to increase Member Allowances were subsequently approved in July 2023, backdated to May 2023 and remain at the same levels, to the current date.
- 1.4 The Panel comprises Mr Paul Goldfinch, Dr Louise Smith, and Ms Astrid Weekes and was tasked to carry its review with the following Terms of Reference, in so far as they relate to Mid Sussex District Council, and to make recommendations on the following:
 - a) The amount of Basic Allowance which should be payable to its Elected Members;
 - b) The roles and responsibilities for which a Special Responsibility Allowance should be paid and the amounts thereof;
 - c) As to whether co-optees to committees should receive allowances and the amounts thereof;
 - d) The duties for which travelling and subsistence allowances should be paid and the amounts thereof;
 - e) 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;
 - f) Whether the Council's scheme should allow for an annual adjustment of allowances by reference to such index as may be specified by the authority ready for any such recommendation to take effect from 14 May 2025 should they be approved.
- 1.5 The review was carried out between 28th February 2025 and 24th April 2025 and was supported by Julie Galvin, Assistant Director, Governance (Monitoring Officer), Lucinda Joyce, Member Services Manager, and Ellen Fisher, Member Services Officer. The Panel also gratefully acknowledges the support and input of all Members who took part in our survey and those who agreed to be separately interviewed.
- 1.6 The Panel has endeavoured to strike a balance between adequately recompensing the time and effort put in by Members and the recently increased economically challenging climate. It is pleased to present the 2025 report for consideration by the Council.

Paul Goldfinch
Chair of the Independent Remuneration Panel

Process and Methodology

- 1.7 The panel sent out a purposefully short questionnaire to all Councillors to seek views on key parts of the existing scheme, and received a response rate of 29% (14 out of 48 members). Although the results are limited, there was an overriding view that the allowances are adequate for the roles that Councillors undertake. The panel also reached the view that the limited response showed that on the whole members were satisfied with the current arrangements.
- 1.8 However, there was a divergence regarding the time spent undertaking the various duties, which made any assessment on the hourly rate, or relevant Public Service Discount (PSD) for the work, difficult.
- 1.9 In addition to the survey, three Members agreed to be interviewed but only two provided information. Interviewees agreed on the need to increase inclusion, diversity and equality amongst Councillors but recognised that allowances have limited impact.
- 1.10 The Panel made good use of the latest version of the annual South East Employers (SEE) survey comparing allowances of South East local authorities and the latest reports from Harlow and Horsham Independent Remuneration Panels were also scrutinised to see if there were any issues or proposals of value for this report.

Recommendations

Recommendation 1	Increase the Basic Allowance by 3.4% to £5,893.80.
Recommendation 2	Retain the multiplier concept on Special Responsibility Allowances (SRAs) thus leading to a similar uplift.
Recommendation 3	The Council maintains the policy of one SRA per member in its Scheme of Allowances.
Recommendation 4	Independent Persons for Standards receive an increase of 3.4% to £775.50.
Recommendation 5	The rates for Travel and Subsistence be maintained at the current HMRC rates and that mileage claims for electric and hybrid vehicles be incorporated.
Recommendation 6	Payment of childcare allowance continues to be linked to the current National Living Wage.
Recommendation 7	Payment of dependent's care allowance to be linked to the Homecare Association annual rate which is currently £32.14.
Recommendation 8	Develop a Parental Leave Policy congruent with the LGA's model policy.
Recommendation 9	No indexation be applied at this time but annual reviews should continue.
Recommendation 10	The Council adopts the revised scheme to take effect from 14 May 2025.

Recommendation 1: Basic Allowance

- 1.11 It is a requirement of the regulations that a Basic Allowance (BA) be paid to all Councillors in an authority, and paid in recognition of their workloads and responsibilities, so that people are able to undertake the role of Councillor without being subject to financial loss for so doing. The BA is intended to recognise the commitment of all Councillors for calls on their time including meetings with council employees, meetings with constituents, attendance at political group meetings and council meetings and incidental costs such as the use of their homes. The amount of the BA is set by the Council, but in so doing it must have regard to the Independent Remuneration Panel's recommendations and any national guidance. A member can decide to waive his or her right to receive a BA or to receive a lower sum.
- 1.12 The BA for Mid Sussex District Council (MSDC) is currently set at £5,700. Among the 60 authorities reviewed, there were eight whose Councils comprised exactly 48 members serving a population range of 138K to 179K (MSDC: 152,600), with an average BA of £6,643 (MSDC second lowest). The average BA across the whole 60 authorities was £7,824. Among the 10 Sussex authorities reviewed, the average was £5,370.00 with Horsham being slightly above average by £368.
- 1.13 The survey conducted amongst the Councillors and the separate interviews showed that, generally, the current Basic Allowance is considered adequate. Responses highlighted that the hours spent by Members on council duties varied widely, making it difficult to determine a typical time commitment. Comments made in the survey and the interviews recognised that the BA should not be seen as a wage, and Councillors should do their job to serve their community, not for reward. Some believed that their workload had increased compared to the past with others feeling that the workload was greater than anticipated. There was little support for any indexation.
- 1.14 The three variables considered were:
- a time assessment for the roles
 - the element of public service and
 - a rate of remuneration upon which to base the BA.
- 1.15 According to the LGA National Census of Local Authority Councillors 2022, the average time spent on council business (excluding additional duties attracting an SRA) is 15.2 hours per week. The 2006 Guidance states:
- "...The local authority may wish to agree an index for remuneration. They may choose to be guided by the LGA daily rate which is based on the national (male) median white-collar wage. Alternatively, they may wish to look at local and regional wage rates as these may seem more appropriate as measures for the allowances paid to members of its community."
- 1.16 In order to determine a reasonable comparative hourly rate for the work carried out by Members, the Panel used the Mid Sussex median earning figure for working residents specified in the Council's own Sustainable Economy Strategy District Profile (SESDP) 2022 – 2025. This is £17.07 per hour. The 2006 Statutory Guidance on Members Allowances for local authorities in England advises that there is a public service element to being an elected member and not all the time expected from members should be remunerated.

PSD applied	Discounted hours worked	Annual Allowance £
0%	15.2	12,973
30%	10.64	9,081
35%	9.88	8,432
40%	9.12	7,784
45%	8.36	7,135
50%	7.6	6,487

- 1.17 The panel recognises that, even at a 50% discount these figures would represent a considerable increase in the Basic Allowance from the current rate and, as such, not a viable option for the authority at this time.
- 1.18 The panel looked at a number of publicly available indices and, to avoid a potential direct connection with “salary” increases, chose for this particular year the CPIH (CPI including owner occupier’s housing costs) because it represents a fair reflection of inflation to most people.
- 1.19 To increase the Basic Allowance in line with CPIH data released on the 16th April 2025. There was a year on year increase of 3.4%.

Recommendations 2 and 3: Special Responsibility Allowances:

- 1.20 The 2006 Guidance states the following in relation to determining the Leader’s allowance:
- “A good starting point in determining special responsibility allowances may be to agree the allowance which should be attached to the most time-consuming post on the council (this may be the elected mayor or the leader) and pro rata downwards for the other roles which it has agreed ought to receive an extra allowance. One way of calculating special responsibility allowances may be to take the agreed level of basic allowance and recommend a multiple of this allowance as an appropriate special responsibility allowance for either the elected mayor or the leader.”
- 1.21 However, there is no national guidance on the multiplier of the Basic Allowance (BA) that should be used to set the Leader’s Special Responsibility Allowance (SRA).
- 1.22 The panel’s research of other authorities highlighted that that MSDC levels are appropriate, and the review of the 2023 South East England (SEE) survey did not reveal any large disparity between MSDC and other district authorities.
- 1.23 The SEE survey shows a variation regionally in the calculation of this allowance. Of those authorities that use a multiplier of the BA, the value varies between 2x and 4x with the average being 2.5x to 3x. MSDC’s Leader’s multiplier is currently at the highest end of the scale. MSDC’s BA multipliers

applicable to the calculation of various SRAs have been set over the course of previous reviews and the panel sees no compelling reason to change any of these. Nor to include any new roles or eliminate any that previously qualified.

- 1.24 The interviews with Members did raise a concern over the additional work involved in the Planning Committee, however, there was little concern over the SRAs payable, based on the survey responses. Therefore, the 'hierarchy' of SRAs in the Scheme of Allowances should remain the same.
- 1.25 Using previously agreed multipliers and percentages, Special Responsibility Allowances for current posts attracting an SRA are recommended as follows:

Role	Amount	Multiplier or % of BA
Leader of the Council (includes Cabinet Member Allowance)	£23,575.20	4
Deputy Leader (includes Cabinet Member Allowance)	£11,787.60	2
Cabinet Member	£ 9,430.08	1.6
Chair of the Council	£ 7,661.94	1.3
Vice-Chair of the Council	£ 2,553.98	1/3 paid to Chair
Planning Committee Chair (2)	£ 7,367.25	1.25
Planning Committee Vice-Chair (2)	£ 1,841.81	25% paid to Chair
Licensing Committee Chair	£ 1,178.76	20%
Standards Committee Chair	£ 1,178.76	20%
Group Leader	£ 258.50 per member	N/A
Scrutiny Committee Chair (2)	£ 4,715.04	80%
Scrutiny Committee Vice-Chair (2)	£ 1,178.76	20%
Audit Committee Chair	£ 3,536.28	60%
Independent Persons for standard matters (3)	£ 775.50	N/A
Total for all roles and allowances	£406,054.38	

- 1.26 The above figures represent a balance between the regional average and affordability for MSDC.

Recommendation 4: Allowances paid to Co-optees to Committees

- 1.27 The Local Authorities (Members' Allowances) (England) Regulations 2003 Regulations permit an allowance to be paid to persons, co-optees, who are not elected members of an authority but who are recruited to a committee of the authority in an advisory role for their expertise.
- 1.28 At MSDC, currently there are three Independent Persons for Standards who assist the Monitoring Officer, the Standards Committee and those involved with standards complaints.
- 1.29 Comparison with other authorities shows a large range of payments, the highest at £2,112, and the lowest at £395. The average for all authorities is £636. (SEE 2024). MSDC's Independent Persons for standard matters are paid an annual allowance of £750, which is in line with many other councils. Following an interview with one panel member, however, the Panel recommends this allowance is increased by 3.4% in line with CPIH and the increase to BA and SRAs to £775.50.

Recommendation 5: Travel and Subsistence Allowance

- 1.30 Allowances for travel and subsistence are linked to the rates payable for officers and may be paid to the Council's members for "any duty approved by the authority in connection with or relating to the duties set out in the Council's Constitution".
- 1.31 HMRC rates are currently used for Members mileage claims and are such that no taxable element is included.
- 1.32 The panel wishes the scheme to be updated for future use by inclusion of rates relating to the use of hybrid and electric vehicles.
- 1.33 The Office for Low Emission Vehicles advises that when claiming business mileage rates, HMRC Approved Mileage Allowance Payment (AMAP) rates are applicable. The rate is derived from the cost of charging these vehicles and the electrical efficiency mileage that is completed. The components are detailed below:

Electrical efficiency miles per kilowatt-hour	3.57 pence
Domestic electricity cost (per kilowatt-hour) *	25.24 pence
Rate per mile	7.06 pence

**The 'Domestic electricity cost per kilowatt-hour' is the Department for Energy Security and Net Zero annually published figure, uprated with the latest estimate of electricity prices from the Office for National Statistics.*

- 1.34 From 1 March 2025, the HMRC advisory electric rate for fully electric cars is 7 pence per mile. Hybrid cars are treated as either petrol or diesel cars for advisory fuel rates.

- 1.35 The panel recommends no change to the existing subsistence allowances policy.
- 1.36 The Panel recommends that travel and subsidence allowances be in line with the HMRC guidelines listed below:

Details	Recommended Rate
Mileage	
Vehicles (petrol/diesel or hybrid)	
Car Mileage	45p per mile
Car Passenger Mileage Rate	3p per mile for 1 passenger
	5p per mile for 2 or more passengers
Vehicles (fully electric)	7p per mile
Cycling Allowance	20p per mile
Subsistence	
Breakfast	£7
Lunch	£10
Tea	£4
Evening Meal	£13
Overnight Out of Pocket expenses: per night	£6
per week	£24

Recommendation 6: Childcare Allowance

- 1.37 The panel recommends that payment of childcare allowance continues to be linked to the National Living Wage, currently £12.21 per hour for one child, and £24.42 per hour for two or more children.

Recommendation 7: Dependent Carer's Allowance

- 1.38 The panel recommends that payment for specialist dependent's care should be set at the Homecare Association minimum fee rate, currently £32.14 per hour.

Recommendation 8: Allowances while on Parental Leave

- 1.39 Research shows that the majority of authorities in the South East do not have a policy for Councillors (SEE data). Of those that do, nearly all have followed the LGA model.
- 1.40 The Panel recommends that MSDC should develop a parental leave policy for members based on national standards as recommended by the Local Government Association.

Recommendation 9: Indexation

- 1.41 The Local Authorities (Members' Allowances) (England) Regulations 2003 allow for annual indexation of allowances.
- 1.42 The panel considered the SEE data and concluded that of those authorities that use indexation, the majority link is to Local Government staff pay awards.

Of the data looked at:

- Seventeen councils are of similar population to MSDC. 58.8% of them use indexation.
 - Four out of these are Unitary councils.
 - The basic allowance paid by these councils ranged from £4836 to £9605.68.
 - The number of Councillors range from 39 to 56.
 - Public service discounts are used in 7 of these councils
- 1.43 To support the benchmarking exercise described above, the Panel also sought members' thoughts, through a survey and interviewed councillors that were available. Of the 14 respondents only two thought a form of indexation would be useful. One comment suggested that certain indexation would not be appropriate because allowances exist to compensate members, not to function as a salary.
- 1.44 Indexation can be complex and so the panel believes that permanent indexation adds an unnecessary level of complication to the structure of the scheme for no real advantage and therefore recommends no indexation be applied, but that annual reviews continue.

Recommendation 10: Timing

- 1.45 The Council adopts the revised scheme to take effect from 14 May 2025.