

Members' Allowances - Recommendations of the Independent Remuneration Panel (Law and Governance - Mario Leo)

Synopsis of report:

- 1. To report the recommendations of the Independent Remuneration Panel following its review of the scheme of Members' Allowances.**
- 2. The Panel recommend that –**
 - **the Basic Allowance be set at £5,500 per annum;**
 - **Annual increases linked to annual staff pay awards be applied to the Basic Allowance and SRAs in the financial years 2023/24 and 2024/25;**
 - **The SRA for Leader and Deputy Leader of the Council be increased to £11,000 and £5,500 respectively;**
 - **The SRA of £1,296 for serving on Corporate Management Committee be paid to all members of that Committee regardless of any SRAs they receive for holding other offices;**
 - **The SRA for Chairman and Vice-Chairman of Standards and Audit Committee be £5,184 and £2,592 respectively;**
 - **The SRA for Political Group Leaders, other than Leader of the Council, be based on £425 per member of their respective Groups.**
- 3. No other changes to the Scheme of Allowances are recommended by the Panel.**

Recommendations:

- i) The Committee consider and recommend to Full Council on 3 March 2022 whether it wishes to accept the recommendations from the Independent Remuneration Panel in their entirety or, if not, what changes it would wish to recommend.**
- ii) Based on full adoption, the Committee recommends to Full Council that a supplementary revenue estimate in the sum of £49,000 be approved to cover the increased costs of the scheme in 2022/23 and that subsequent years' increases be added to the Medium Term Financial Strategy.**

1. Context of report

- 1.1 The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended)(the 2003 Regulations) require all local authorities to appoint an Independent Remuneration Panel to advise on the terms and conditions of their scheme of Members' Allowances. The 2003 Regulations require the Council to have regard to the advice of the Panel when approving a new scheme.**
- 1.2 The Council's present scheme of allowances took effect on 1 April 2019 and runs until 31 March 2022.**
- 1.3 A new Panel has been convened to make recommendations on the scheme to be adopted with effect from 1 April 2022, and the Panel met on three occasions and**

also undertook interviews of all Political Group Leaders and the Chief Executive. The members of the Panel receive a single allowance of £500 each for the three year duration of the scheme and the Authority meets the reasonable expenses of the Panel and of its members in performing their duties. The Panel consists of Clare Jones (Education sector representative), Lorna Jamison (Health sector representative and Chair of the Panel), Bob Locker (Residents sector representative) and Suzie Tobin (Voluntary sector representative). No Business Sector representative could be recruited to the Panel on this occasion despite best efforts to do so.

2. Report

- 2.1 In formulating its proposals, the Panel reviewed a range of background information and comparative data and circulated a questionnaire to all Councillors. The questionnaire provided information about the operation of the scheme, Councillors' workloads and Councillors' views about the present arrangements. The Panel also interviewed all Political Group Leaders and the Chief Executive to discuss the Scheme, the workload and responsibilities of Members and to ascertain if they had any suggestions for improving the current Scheme. The Panel's report including recommendations is at Appendix 'A'.
- 2.2 It is open to the Committee to recommend to the Council that the Panel's recommendations be adopted in their entirety, or to recommend to the Council a change or changes to the Panel's recommendations.

3. Resource Implications

- 3.1 The Panel has recommended that the Basic Allowance be increased to £5,500 per annum from 1 April 2022 with any increases to the Basic and Special Responsibility Allowances in 2023/24 and 2024/25 linked to annual staff pay awards. The recommended increase to Basic Allowance reflects the increased responsibilities and workload, the skills sets now required of a Councillor in a more commercially driven local authority environment, the requirement to engage in policy development and direction, the need to challenge proposals and assess risks, the pressures associated with communication with constituents in a digital environment, to acknowledge the overall time commitment and finally to address the historical deficit of the Basic Allowance when compared with other Authorities in Surrey and the South East. The Panel hoped the increased Basic Allowance would make the role of Councillor more viable for persons of working age and those who had family commitments. The Panel also considered it better recognised the social value of the role performed by Councillors and hopefully encouraged greater diversity in membership which would be more representative of the community the Council serves.
- 3.2 The Panel assessed the SRA paid to Leader and Deputy Leader of the Council and whether this sufficiently reflected the increasing workload and responsibility associated with those offices. The SRAs for Leader and Deputy Leader were low in comparison with other Authorities in Surrey and the South East. The Panel therefore recommend that the SRA for Leader of the Council be increased from £10,368 to £11,000 with the SRA for Deputy Leader being 50% of that, namely an increase from £2,592 to £5,500. The Panel considered this an appropriate increase which hopefully better reflects the workload and responsibilities associated with these high profile roles, will assist succession planning to those offices, and be more in line with SRAs paid in other local authorities for these roles.
- 3.3 The Panel reviewed the restriction placed on Members who serve on Corporate Management Committee. Currently a Councillor can only receive a SRA of £1,296 for being a member of Corporate Management Committee if he or she is not entitled to any other SRA. The Corporate Management Committee currently has 12 Members. At the current time, only 2 councillors are eligible for the Special Allowance for serving

on that Committee and the remaining 10 Councillors do not get a SRA as they receive an SRA for holding other offices. The Panel acknowledged the increased workload and responsibilities involved in serving on this Committee and considered that the restriction should be removed and that all Members of that Committee be paid an SRA of £1,296 regardless of any other offices they hold.

- 3.4 The Panel reviewed the SRAs for Chairman and Vice- Chairman of Standards and Audit Committee which are low compared to SRAs paid to other Chairmen. In addition, since the last review 3 years ago, the Committee had taken an increased role for the oversight of governance and financial operation of the Council. On this basis the Panel consider the SRA for Chairman and Vice Chairman of this Committee should be increased from £1,710 to £5,184 and from £648 to £2,592 respectively which is in line with SRAs paid to the Chairmen and Vice- Chairmen of main Committees.
- 3.5 With regard to the SRA paid to Political Group Leaders other than Leader of the Council, the Panel knew from its research that a small number of local authorities paid Political Group Leaders a flat rate plus a payment per member in their group or just a payment based on number of members in their groups .The Panel considered that the current SRA of £3,888 for Political Group Leaders is too high and that it was fairer for the SRA to be based on number of members in a group and recommend a figure of £425 per member which is consistent with the SRA paid to the Leader of the Council if a per head basis calculation is applied.
- 3.6 The Panel considered whether an SRA should be paid to those Councillors who led particular projects but were advised this was not legally permissible.
- 3.7 The Panel did not recommend any other changes to the amounts and types of Special Responsibility Allowances.
- 3.8 The full cost of adopting all these changes is estimated to be £65,000 per annum. As a provision of £16,000 has already been made in the 2022/23 Estimates, a further annual sum of £49,000 is required.
- 3.9 If the Council accepts the recommendations of the Panel, the costs for the following three years would be as follows:

	Original Estimate 2021/22 £	Probable 2021/22 £	Original Estimate 2022/23 £	Proposed Estimate 2022/23 £	Proposed Estimate 2023/24 £	Proposed Estimate 2024/25 £
Members' Allowances						
Basic and Special Responsibility Allowances, incl. Mayor and Deputy	319,800	319,800	335,800	384,800	384,800	384,800
Members' training expenses, travel and subsistence	8,200	8,200	8,200	8,200	8,200	8,200

4. Legal Implications

4.1 The Council must have regard to the recommendations of the Panel when determining its scheme of Members' Allowances.

4.2 The 2003 Regulations place certain duties on local authorities in connection with publicising the recommendations made by the Independent Remuneration Panel, the scheme of allowances adopted and the actual allowances paid to Members in any given year. The Regulations also place the responsibility on the local authority to ensure that copies of the Independent Remuneration Panel's report and recommendations are available for inspection at the Council's principal offices at all reasonable times and publish a notice in at least one newspaper circulating in the area. The subsequent guidance to the Regulations, issued jointly by the Office of the Deputy Prime Minister and the Inland Revenue, urges local authorities to publicise more widely the report from the Independent Remuneration Panel, the scheme of allowances and the sums paid to each Councillor with the suggestion that, where possible, this information be published on the Council's website. Supporting information and explanations are also encouraged.

4.3 Similar duties of publicity and inspection apply to the scheme of allowances finally determined by the Council.

5 Equalities Implications

5.1 The allowances are paid to all persons who are elected as Councillors and subject to certain qualifying criteria any person can stand to be a Councillor.

6 Environmental Implications

6.1 The proposals contained in this report have no impact on environmental matters.

7. Summary

7.1 It is for the Council to decide whether it wishes to accept the recommendations from the Independent Remuneration Panel in their entirety or, if not, what changes it would wish to approve.

(To recommend to Full Council on 3 March 2022)

Background Papers

Independent Remuneration Panel Report.
Local Authorities' (Members' Allowances) (England) Regulations 2003 Statutory Instruments 2003/1092 and 2003/1692
ODPM and Inland Revenue "Guidance on Consolidated Regulations for Local Authority Allowances – July 2003"