

APPENDIX 'A'

**Eighth Report of the Independent Remuneration Panel
Appointed to Review the Allowances Paid to Members of
Runnymede Borough Council**

January 2022

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1. Introduction

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 (the Panel) to advise on the terms and conditions of their scheme of Members' Allowances. The Regulations require the Council to "have regard" to the advice of the Panel when approving a new scheme and in the past the Council have on three occasions adopted the Panel's recommendations in full. On the occasions when the Council have not adopted the Panel's recommendations in full there have been various factors cited as reasons for not adopting the recommendations e.g. the economic climate existing in the country at the time that the recommendations were made. This is the eighth time that the Panel has considered the scheme.

1.2 The Council's present scheme of Allowances took effect on 1 April 2019 following the review in 2018. It requires the scheme to be "reviewed in or around October 2021, with a view to any revised scheme taking effect on 1 April 2022". The Panel has therefore been convened on this occasion to make recommendations on the scheme to be adopted with effect from 1 April 2022.

2. The Independent Remuneration Panel

2.1 The membership of the Panel is Clare Jones (Education sector), Lorna Jamison (Health sector and Chair of Panel), Bob Locker (Residents sector) and Suzie Tobin (Voluntary sector). On this occasion, no Business Sector representative could be recruited to the Panel despite best efforts to do so.

2.2 The Panel held three meetings and interviewed all 5 Political Group Leaders and the Chief Executive to review the scheme.

3. Sources of Information

3.1 The Panel's review has had regard to the requirements of the 2003 Regulations and we also referred to the guidance issued by the Department of Communities and Local Government in 2001.

3.2 We looked at the Allowances paid by the other District/Borough Councils in Surrey and took into account the South East Employers' Members' Allowances Survey, published in 2021 including allowances paid by those local authorities which were within 7,000 population of Runnymede's population. This is the most up to date regional data which is currently available .

- 3.3 We were keen to find out what Runnymede Councillors thought about the scheme. Comments were invited from all Members and a confidential questionnaire was circulated to all 41 Members and we received 17 responses by the deadline. Whilst less than 50% of the Council replied, the information obtained was very helpful to the Panel. We also took account of the various individual comments made by Councillors as part of their questionnaire responses.
- 3.4 We met separately with the five Political Group Leaders to discuss the scheme with them, the workload and responsibilities of Councillors and to ascertain if they had any suggestions to improve the existing scheme. The Panel also met Paul Turrell, Chief Executive, who gave his views on the current roles and responsibilities of Councillors and on the scheme of allowances.
- 3.5 We looked at the methodology adopted by some Surrey Local Authorities for calculation of the Basic Allowance and level of Public Service Discount (i.e. that part of a councillor's time which is treated as voluntary and unremunerated).
- 3.6 We also looked at the workings of the Council and its Committee structure, the current Members Allowances scheme and the previous Panel report.

4. Current Scheme

- 4.1 The current Members Allowances scheme comprises a Basic Allowance which is payable to all Councillors and Special Responsibility Allowances which are paid to Councillors for holding positions of additional responsibility.
- 4.2 In addition to these Allowances, Councillors are entitled to claim for the reimbursement of travel and subsistence incurred on approved Council business. Car mileage is reimbursed at the maximum rate that can be paid without incurring tax (currently 45 pence per mile) but other costs are reimbursed at the rates claimable by staff.
- 4.3 The scheme also provides for the reimbursement of the costs of arranging for the care of children or dependents while on Council business. This was introduced in 2001.
- 4.4 The current scheme is reproduced in full at **Annex 1**.

5. Our Review and Deliberations

Findings

From our review and interviews we have found the following :

- Role and responsibilities of Councillors have changed in recent years to reflect a changing local government 'landscape'. This is characterised by increased workload, greater demands on time, complexity of information and increased responsibilities which will only continue. The increased use of social media has brought additional pressure from residents in terms of expectations of immediacy of response to their concerns;
- A more commercialised approach is expected of Councillors in running the Council in order to address the loss of Government Support Grant. This increasingly requires Councillors to possess commercial acumen, financial skills sets and greater knowledge than hitherto;
- Councillors are increasingly being required to take responsibility for key strategic decisions on a range of matters e.g. financial management, place shaping, redevelopment/regeneration initiatives and management of the significant commercial property portfolio of £600m which secures an income stream to fund the gap caused by loss of Government grant and funds the Council's regeneration strategy. This income is vital as it enables the Council to maintain and develop its services without having to make cuts as a result of loss of Government grant. Work is also required on shared services with other Councils and possible future local government reorganisation. Increasingly, decisions are difficult, stressful and time consuming in a very challenging financial environment where the Council is expected to do more with less resources;
- Councillors who serve on Planning Committee and Corporate Management Committee carry a significant workload and responsibilities. They will get busier and they need the skills sets and time to undertake the work. The recent adoption of the Local Plan will involve significant work in dealing with complicated detailed major planning applications and associated major infrastructure projects. These are major issues for residents and will require major input from Councillors who serve on Planning Committee. Likewise, Councillors who serve on Corporate Management Committee are and will continue to be involved in making important decisions on financial and property matters which require the assessment of risks and ability to challenge

certain propositions. A higher obligation to undertake training is also required from those Councillors who sit on these Committees. Feedback from Members suggested that the Panel review the current restriction on payment of SRAs only to Members of Corporate Management Committee who did not receive any other SRA;

- The Basic Allowance is the lowest in Surrey and comparatively low in the South East and causes some concern among Councillors as they are aware of allowances paid in neighbouring boroughs. Whilst the receipt of the Members Allowance is not the main reason for becoming a councillor, with the primary motivation being to help improve lives of communities in the borough and to make a difference, Group Leaders considered the Basic Allowance was too low and did not reflect the time commitment and responsibilities associated with being an elected representative, hampered retention of current Councillors, and failed to incentivise younger persons including those with family commitments and other high calibre individuals to stand for Council. In addition, the low level of the Basic Allowance could be misinterpreted as the low value placed on the role of being a Councillor;
- The percentage of Councillor time which receives an allowance varied across Councils. At Runnymede 50% of time received an allowance and this had been increased from 40% at the last review and was similar to other local authorities. The majority of Group Leaders saw no reason to change this;
- As requested by Full Council in March 2020, we have reviewed the SRA for Leader and Deputy Leader of the Council. These postholders faced increasing pressure and responsibilities associated with those offices. It was noted that the SRA for the Leader and Deputy Leader were the third lowest in Surrey. In other local authorities in Surrey and South East, the SRA for Deputy Leader was nearer 50% of the SRA for the Leader;
- The time commitment expected of a councillor can be a disincentive to persons to stand for Council, especially younger persons who are in full time employment or who have family commitments and so a more realistic level of Basic Allowance could assist in this regard;
- The annual uplift on Members Allowances was currently based on RPI. Feedback suggested that a more appropriate linkage would be to annual staff pay awards;
- As requested by Full Council in March 2020, we have reviewed the level of SRA paid to Chairman and Vice Chairman of Standards and Audit Committee

and Group leaders, other than Leader of the Council ,to reflect the size of their respective groups. The current SRA for Chairman and Vice- Chairman was low compared to SRAs paid to other Chairmen. In recent years, the Standards and Audit Committee had a raised profile with greater emphasis on audit and governance as required by Government. With regard to Group Leaders we found from our research that a small number of local authorities paid an SRA based on number of members in a group or a flat rate payment plus a payment based on number of members in a group.

- Finally ,we consider there is a need for the role of Councillors to be clearly communicated to residents to improve public recognition of the value and commitment involved.

Recommendations of the Panel

Basic Allowance

- 5.1 We are aware of the current financial circumstances and budgetary pressures Runnymede Council faces now and over the next few years, and the wider economic climate. However, we did not feel these should influence our deliberations, but were factors Corporate Management Committee and Full Council would rightfully take account of in considering our following recommendations:-
- 5.2 The Basic Allowance aims to recognise the time commitment of all Councillors including such inevitable calls on their time as meeting with Officers and constituents, and attendance at formal and informal meetings. It is also intended to cover incidental costs such as use of their homes.
- 5.3 From the Questionnaire responses and interview feedback, Members thought that the current overall level of Members Allowances is unsatisfactory and some considered themselves financially disadvantaged as a result of their role as Councillor.
- 5.4 Runnymede's Basic Allowance is low compared with allowances paid in Surrey and South East. It is the lowest in Surrey and one of the lowest in the South East.
- 5.5 As confirmed by our interviews and feedback from the questionnaires, the landscape of local government has changed in recent years and the Basic Allowance now needs to reflect this. We consider that the Basic Allowance should be increased to reflect: increased responsibilities and workload in relation to financial and property management, 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, and finally to acknowledge the overall time commitment. As mentioned above, the Basic Allowance is very low in comparison with other local authorities in the region. Some of the increases recommended by previous Panels had not been implemented for financial reasons and this has contributed to the historic low level of the Basic Allowance. We strongly consider that steps should now be taken to address this historic deficit, otherwise the Basic Allowance will always lag behind and the deficit will become increasingly difficult to address. Therefore, on the basis of information reviewed, we recommend that the Basic Allowance be increased from £4,143 to £ 5,500 per annum which would be more in line with the allowance paid by other Surrey Authorities and those in the South East. We consider this would assist in retention and recruitment of individuals with the required skills sets, and go some way to addressing concerns of those Members who felt their time commitment was not sufficiently acknowledged. We feel this represented a fairer compensation for the time devoted to duties and might make the role of Councillor more viable for people of working age and for those who have family commitments. We considered it better recognised the social value of the role performed by Councillors. A higher Basic Allowance hopefully would also encourage greater diversity in membership which would be more representative of the community the Council serves.

5.6 We supported an annual uplift in Basic and SRAs in future financial years but propose it to be linked to annual staff pay awards and not RPI as this would be more transparent and accountable.

5.7 Runnymede's Public Service Discount, which is the element of time that is viewed as voluntary time devoted by a Councillor, is currently 50%, meaning that only 50% of time spent on Council business is compensated. Again, we have reviewed the Public Service Discount adopted in other Authorities and the level does vary. The Panel considered that the current discount of 50% is appropriate and recommended no change which was supported from feedback.

PANEL RECOMMENDATION:

- i) the Basic Allowance be set at £5,500 per annum and time remunerated be retained at 50%; and**
- ii) 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.**

6. **Special Responsibility Allowance (SRA)**

- 6.1 The Special Responsibility Allowance recognises the level of responsibility, complexity, and extent of commitment of a limited number of Councillors who are expected to undertake roles on behalf of the Council that involve significant additional time and responsibility.
- 6.2 We did assess 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 SRA for Leader and Deputy Leader were low in comparison with other Authorities in Surrey and the South East. We 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 increased from £2,592 to £5,500. This is considered 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.
- 6.3 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 1 councillor is eligible for the Special Allowance for serving on that Committee and the remaining 11 Councillors do not get a SRA as they receive an SRA for holding other offices. We 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.
- 6.4 We reviewed the SRA 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 oversight of governance and financial operation of the Council. On this basis we consider the SRA for Chairman and Vice Chairman of this Committee be increased from £1,710 to £5,184 and from £648 to £2,592 respectively which is in line with SRAs paid to other Chairmen and Vice- Chairmen of main Committees.
- 6.5 With regard to the SRA paid to political group leaders, other than Leader of the Council, we know from our research that a small number of local

authorities paid 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. We consider 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 the 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 you applied a per head basis calculation. This approach was supported by a majority of Group Leaders.

6.6 We considered whether an SRA should be paid to those Councillors who led particular projects but were advised this was not legally permissible.

6.7 Other SRAs were reviewed, but we recommend no change.

PANEL RECOMMENDATION:

- i) The SRA for Leader and Deputy Leader of the Council be increased to £11,000 and £5,500 respectively;**
- ii) 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 other offices;**
- iii) The SRA for Chairman and Vice- Chairman of Standards and Audit Committee be £5,184 and £2,592 respectively;**
- iv) The SRA for Political Group leaders, other than Leader of the Council, be based on £425 per head;**
- v) no other changes be made to the amounts and types of Special Responsibility Allowances; and**
- vi) retain the current maximum number of two Special Responsibility Allowances which any Member may claim.**

7. Travel and Subsistence Allowances

7.1 We think that the rates paid under the present scheme are fair so we are recommending no changes.

PANEL RECOMMENDATION:

No change be made to Travel and Subsistence Allowances.

8. Dependant Carer's Allowance

8.1 We strongly support the continuation of the payment of a Dependant's Carers' Allowance where it assists a Councillor in the proper discharge of his or her duties. The payment of such an Allowance might assist in increasing the diversity of the Council membership and political groups should highlight more

widely the availability of this Allowance in their recruitment of potential Councillors.

- 8.2 The Panel considered that reimbursement should continue to be on the basis of 'fair and reasonable costs'.

PANEL RECOMMENDATION:

No change be made to the Dependant Carers' Allowance, but wider publicity be given to its availability by political groups at time of recruitment of potential Councillors.

9. Members' Allowances Scheme 2022/23

PANEL RECOMMENDATION:

The Members Allowances Scheme set out at Annex '2' and based on the recommendations in this report be adopted with effect from 1 April 2022

10. Conclusions

- 10.1 The Panel is appreciative of those Councillors who completed their questionnaires, and to the Group Leaders and the Chief Executive of the Council who attended for interview.
- 10.2 The Panel recognises the highly valuable work undertaken by Runnymede Councillors on behalf of their residents. The Council is fortunate to have high quality committed Councillors who work together in partnership with Officers to progress service delivery. The Panel acknowledges the increased workload and responsibilities Councillors face and the increasingly difficult decisions required to be made on a range of issues and projects. In view of this, we consider that there is a need for the role of Councillors to be clearly communicated to residents to improve public recognition of the value and commitment given by Councillors.
- 10.3 The scheme we recommend we consider to be fair, simple, justifiable and logical.
- 10.4 We recognise that the scheme should fairly recompense those Councillors who devote a considerable amount of time to Council business. We feel that the recommended increase to the Basic Allowance reflects the increased workload and decision-making responsibilities Councillors now face in the challenging modern local government environment, the varied skills sets required, address the historical deficit and concerns of some Councillors, and

removes a potential barrier to anyone wishing to become a Councillor or deters existing Councillors from effectively fulfilling their full role. It is hoped it will result in a more diverse and representative Council membership.

- 10.5 Finally, the Panel strongly recommends that the Council adopts its recommendations as a failure to do so will, in its opinion, exacerbate the historical deficit of the Council's Allowances when compared with other Local Authorities in Surrey and the South East. Furthermore, the Panel considers it acknowledges the increased workload and responsibilities Councillors now face and will face over the coming years, and the difficult decisions and risk management which are increasingly required to be made.

Dated: January 2022