

Members' Allowances – Report of the Independent Remuneration Panel

Portfolio Holder	n/a
Ward(s) Affected:	n/a

Purpose

To consider the recommendations of the Independent Remuneration Panel in respect of the Members' Allowance Scheme.

Background

1. The Local Government Act 2000 requires all local authorities to appoint an Independent Remuneration Panel (IRP), to advise on the terms and conditions of their Scheme of Councillors' Allowances. The Local Authorities (Members Allowances) (England) Regulations 2003, as amended and the Guidance on Consolidated Regulations for Local Authorities, determine how the Panels are to operate.
2. A Members Allowances Scheme can apply for up to 4 years and can be indexed to the Retail Price Index (RPI), the Consumer Price Index (CPI) or another formula, for example in line with staff pay awards.
3. Members' allowances were previously reviewed in 2017. At that time it was agreed that allowances would be increased by 1% in May 2017 and May 2018, with a further review to be held in late 2019.

Panel Members

4. The following members of the IRP were appointed by delegated authority, in consultation with party group leaders:
 - ◆ Lucy Brown – Chief Executive, Disability Initiative
 - ◆ Robin Lennie- Managing Director, Stihl
 - ◆ Paul Marcus – Managing Director, Eagle Radio Ltd
 - ◆ Mark Palmer – Development Director, South East Employers (Chair)
 - ◆ Mark Selby – EM3 LEP Growth Hub
5. Robin Lennie withdrew from the Panel due to a potential conflict of interest.

Current Position

6. The IRP met on 8 & 9 January 2020 and its report, in relation to the proposed Council's Members' Allowance Scheme is attached at Annex A.

7. A separate report will be sent to Parish Councils on the IRP's recommendations on Members' allowances for those Councils.

Options

8. The Council has to have regard to the IRP's report when making a new Allowance Scheme, but does not have to agree with all or any of the elements thereof.
9. As a result, the Council has the options to adopt the recommendations of the IRP in relation to the Members' Allowances Scheme, to adopt an amended or different scheme, or to ask the IRP to reconsider its recommendations.

IRP Recommendations

10. The IRP's recommendations set out in detail at Annex A. A summary of the recommendations is contained at Appendix 1 of the IRP's report.
11. Members are also asked to note and consider the Panel's approach to calculating allowances, namely the formula used to calculate the basic allowance and the tiered approach taken in respect of calculating Special Responsibility Allowances (SRA).
12. Members are also asked to note the IRP's recommendation that the maximum number of SRAs payable at any one time does not exceed 50% of Council Members, which the Panel has stated is equivalent to 17 Members. If all roles attracting a SRA are held by different Members of the Council, this would currently result in 18 Members receiving a SRA.
13. The report also proposes that no councillor be entitled to receive at any time more than one SRA. This is also included in the current Members' Allowances Scheme.

Proposals

14. It is proposed that the Council endorses the approach of the Panel and adopts the revised Scheme of Allowances proposed by the Panel.

Resource Implications

15. If the Council decides to adopt the recommendations of the IRP without amendment this would give expenditure against the Members' Allowances budget for 2020/21 of £277,130. This expenditure is calculated on the assumption that the number of members of the Executive remains the same, 2 Group Leaders are eligible for a Political Group Leader allowance (not including the Leader, who

receives a separate SRA), and all SRAs are eligible to be paid in line with paragraph 13.

16. Proposed changes to the dependents' carers' allowances can be met from within existing budgets.
17. There is a requirement to publish a notice in local newspapers, on the recommendations of the IRP and how the full report can be accessed. This has been done and the costs will be met from existing budgets.

Recommendation

18. The Council is advised to RESOLVE that
 - (i) a basic allowance of £5,288 per annum for all Members be agreed;
 - (ii) no councillor be entitled to receive at any time more than one Special Responsibility Allowance;
 - (iii) the maximum number of Special Responsibility Allowances payable at any one time does not exceed 50% of Council Members, equivalent to 17 Members;
 - (iv) a Special Responsibility Allowance of 260% of the basic allowance be paid to the Leader as a Tier 1 role, equating to £13,749 per annum;
 - (v) a Special Responsibility Allowance of 60% of the Leader's Special Responsibility Allowance be paid to the Deputy Leader as a Tier 2 role, equating to £8,249 per annum;
 - (vi) a Special Responsibility Allowance of 40% of the Leader's Special Responsibility Allowance be paid to all Tier 3 roles, namely the Mayor and members of the Executive, equating to £5,500 per annum per role;
 - (vii) a Special Responsibility Allowance of 35% of the Leader's Special Responsibility Allowance be paid to all Tier 4 roles, namely the Chairman of Planning Applications Committee and Political Group Leaders, equating to £4,812 per annum per role;
 - (viii) a Special Responsibility Allowance of 27% of the Leader's Special Responsibility Allowance be paid to all Tier 5 roles, namely the Chairman of Performance & Finance Scrutiny Committee, the Chairman of External Partnerships Select Committee, the Chairman of Audit & Standards Committee, and the Chairman of the Employment Committee, equating to £3,712 per annum per role;

- (ix) a Special Responsibility Allowance of 30% of the Mayor's Special Responsibility Allowance be paid to the Deputy Mayor, equating to £1,650 per annum;
- (x) a Special Responsibility Allowance of 50% of the Chairman of Planning Application Committee's Special Responsibility Allowance be paid to the Vice Chairman of the Planning Applications Committee, equating to £2,460 per annum;
- (xi) no Special Responsibility Allowances be paid to the Vice Chairman of the Performance & Finance Scrutiny Committee, the Vice Chairman of the External Partnerships Select Committee, the Vice Chairman of the Licensing Committee, the Vice Chairman of the Audit & Standards Committee, and the Vice Chairman of the Employment Committee;
- (xii) a threshold of 10% of the Council membership be required in order for a Political Group Leader to be eligible for a Political Group Leader Allowance (Tier 4 role);
- (xiii) car and motorcycle mileage payments be at the maximum rate per mile that can be paid tax-free as defined by HM Revenue and Customs or the rate for officers, whichever is the lower;
- (xiv) the amounts payable in respect of taxi travel, travel by air and European Travel, and the terms and conditions of those payments, be as those set for officers of the Council;
- (xv) eligibility for Travel and Subsistence Allowances continue to be payable to councillors and any co-opted members in connection with any Approved Councillor Duties;
- (xvi) dependant carer's allowances be paid as follows:
 - Childcare – Up to £11.00 per hour, with no monthly maximum claim, subject to the production of receipts;
 - Specialist Care – based on cost, subject to the production of receipts and evidence that this type of care is required;
- (xvii) eligibility for Dependants' Carers' Allowances continue to be payable to councillors and any co-opted members in connection with any Approved Councillor Duties;
- (xviii) the Members' Allowances Scheme be amended to include the following provisions for parental leave for councillors:
 - a. All Councillors shall continue to receive their Basic Allowance in full for a period up to six months in the case of absence from their councillor duties due to leave relate to maternity, paternity, adoption shared parental leave or sickness absence

- b. Councillors entitled to a Special Responsibility Allowance shall continue to receive their allowance in full for a period of six months, in the case of absence from their Councillor duties due to leave related to maternity, paternity, adoption, shared parental leave or sickness absence
 - c. Where for reasons connected with sickness, maternity leave, adoption leave, paternity leave or shared parental leave a councillor is unable to attend a meeting of the Council for a period of six months, a dispensation by Council can be sought in accordance with Section 85 of the Local Government Act 1972
 - d. If a replacement to cover the period of absence under these provisions is appointed by Council or the Leader (or in the case of a party group position the party group) the replacement shall be entitled to claim a Special Responsibility Allowance pro rata for the period over which the cover is provided;
- (xix) The basic allowance, Special Responsibility Allowances and the Dependants' Carers Allowances be increased annually in line with the percentage increase in staff salaries until 2024, at which time the Scheme be reviewed again by an Independent Remuneration Panel; and
- (xx) The new scheme of allowances be implemented with effect from the beginning of the 2020/21 financial year, at which time the current scheme will be revoked.

Annexes: Annex A – Report of the Independent Remuneration Panel
Annex B – Current Members' Allowances Scheme

Background Papers: None

Report Author Rachel Whillis 01276 707139
e-mail: Rachel.whillis@surreyheath.gov.uk

Service Head: Richard Payne 01276 707150
e-mail: richard.payne@surreyheath.gov.uk