



**The report of the Independent Remuneration Panel  
appointed to review the allowances paid to Councillors  
of Surrey Heath Borough Council**



February 2020

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## 1. INTRODUCTION AND BACKGROUND

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), as amended, require all local authorities to appoint an independent remuneration panel (IRP) to advise on the terms and conditions of their scheme of councillors' allowances.
- 1.2 Surrey Heath Borough Council formally appointed the following persons to undertake this process and make recommendations on its future scheme.

Lucy Brown – Chief Executive, Disability Initiative  
Robin Lennie- Managing Director, Stihl  
Paul Marcus- Managing Director, Eagle Radio Limited  
Mark Palmer – Development Director, South East Employers (Chair)  
Mark Selby – EM3 LEP Growth Hub

Robin Lennie, withdrew from the Panel due to a potential conflict of interest.

- 1.3 Our terms of reference were in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003). Those requirements are to make recommendations to the Council as to:
- (a) the amount of basic allowance to be payable to all councillors;
  - (b) the level of allowances and whether allowances should be payable for:
    - (i) special responsibility allowances;
    - (ii) travelling and subsistence allowance;
    - (iii) dependants' carers' allowance;and the amount of such allowances;
  - (c) whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years before its application is reviewed;
- 1.4 In addition, the Panel was invited to review the allowances payable to the Mayor and Deputy Mayor to meet the expenses of their respective offices under Sections 3 and 5 of the Local Government Act 1972. Whilst the 2003 Regulations do not require councils to include such allowances in any formal review, the Council has agreed that it would be appropriate in terms of openness and transparency to ask the Panel to review these allowances as part of the general review of the scheme of councillors' allowances.

- 1.5 We have also made a recommendation in respect of parental leave for councillors.

## 2. CURRENT SCHEME

- 2.1 The last full review of councillors' allowances was undertaken by the Surrey Heath IRP in February 2017. The scheme of allowances was brought into effect from May 2017.
- 2.2 The Scheme currently provides that all councillors are each entitled to a total basic allowance of **£5,087** per annum. In addition, some councillors receive special responsibility allowances for undertaking additional duties.
- 2.3 Councillors may also claim the cost of travel and subsistence expenses and for expenditure on the care of children or dependants whilst on approved duties.

### 3. PRINCIPLES UNDERPINNING OUR REVIEW

#### The Public Service Principle

- 3.1 This is the principle that an important part of being a councillor is the desire to serve the public and therefore, not all of what a councillor does should be remunerated. Part of a councillor's time should be given voluntarily. The consolidated guidance notes the importance of this principle when arriving at the recommended basic allowance.<sup>1</sup> Moreover, we found that a public service concept or ethos was articulated and supported by all of the councillors we interviewed and in the responses to the questionnaire completed by councillors as part of our review.
- 3.2 We noted that the principle of public service had been recognised in previous IRP review in Surrey Heath BC but was not clearly quantified. To provide transparency and increase an understanding of the Panel's work, we will recommend the application of an explicit Public Service Discount (or PSD). Such a PSD is applied to the time input necessary to fulfil the role of a councillor.
- 3.3 Further explanation of the PSD to be applied is given below in section 4.

#### The Fair Remuneration Principle

- 3.4 Alongside the belief that the role of the elected Councillor should, in part, be viewed as unpaid voluntary service, we advocate a principle of fair remuneration. The Panel in 2020 subscribes to the view promoted by the independent Councillors' Commission:

*Remuneration should not be an incentive for service as a councillor. Nor should lack of remuneration be a barrier. The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors. Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage as a result of doing so.<sup>2</sup>*

- 3.5 We are keen to ensure that our recommended scheme of allowances provides reasonable financial compensation for councillors. Equally, the scheme should be fair, transparent, logical, simple, and seen as such.
- 3.6 Hence, we continue to acknowledge that:
- (i) allowances should apply to roles within the Council, not individual councillors;
  - (ii) allowances should represent reasonable *compensation* to councillors for expenses they incur and time they commit in relation to their role, not *payment* for their work; and
  - (iii) special responsibility allowances are used to recognise the *significant* additional responsibilities which attach to some roles, not merely the extra time required.
- 3.7 In making our recommendations, we have therefore sought to maintain a balance between:
- (i) the voluntary quality of a councillor's role;
  - (ii) the need for appropriate financial recognition for the expenses incurred and time spent by councillors in fulfilling their roles; and

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<sup>1</sup> The former Office of Deputy Prime Minister – now the Ministry of Housing, Communities, and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 68.

<sup>2</sup> Rodney Brooke and Declan Hall, *Members' Remuneration: Models, Issues, Incentives and Barriers*. London: Communities and Local Government, 2007, p.3.

(iii) the overall need to ensure that the scheme of allowances is neither an incentive nor a barrier to service as a councillor in Surrey Heath.

3.8 The Panel will also ensure that the scheme of allowances is understandable in the way it is calculated, this includes ensuring the bandings and differentials of the allowances are as transparent as possible.

3.9 In making our recommendations, we wish to emphasise that any possible negative impact they may have is not intended and should not be interpreted as a reflection on any individual councillor's performance in the role.

#### 4. CONSIDERATIONS AND RECOMMENDATIONS

##### Basic Allowance

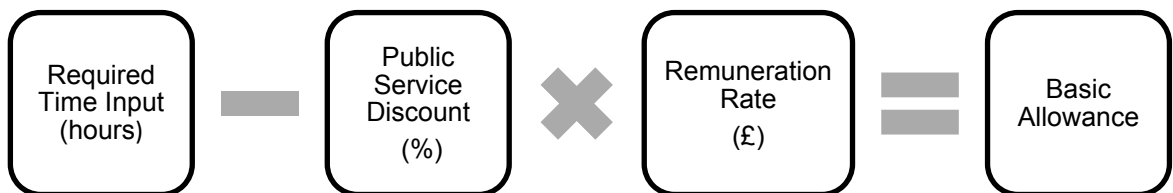
4.1 A Council's scheme of allowances must include provision for a basic allowance, payable at an equal flat rate to all councillors. The guidance on arriving at the basic allowance states, "Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, councillors ought to be remunerated."<sup>3</sup>

4.2 In addition to the regular cycles of Council and committee meetings, a number of working groups involving councillors may also operate. Many councillors are also appointed by the Council to a number of external organisations.

4.3 We recognise that councillors are responsible to their electorate as:

- Representatives of a particular ward;
- Community leaders;
- Decision makers for the whole Council area;
- Policy makers for future activities of the Council;
- Scrutineers and auditors of the work of the Council; and
- Regulators of planning, licensing and other matters required by Government.

4.4 The guidance identifies the issues and factors an IRP should have regard to when making a scheme of allowances.<sup>4</sup> For the basic allowance we considered three variables in our calculation: the time required to execute the role effectively; the public service discount; and the rate for remuneration.



4.5 Each of the variables is explained below.

##### Required Time Input

4.6 We ascertained the average number of hours necessary per week to undertake the role of a councillor (with no special responsibilities) from questionnaires and interviews with councillors and through reference to the relevant Councillor information. In addition, we considered information about the number, range, and frequency of committee meetings.<sup>5</sup>

<sup>3</sup> paragraph 67.

<sup>4</sup> paragraphs 66-81.

<sup>5</sup> Summary responses to the questionnaires are available on request.

- 4.7 Discounting attendance at political meetings (which we judged to be centred upon internal political management), we find that the average time commitment required to execute the role of a councillor with no special responsibilities is 12.5 hours per week.

#### Public Service Discount (PSD)

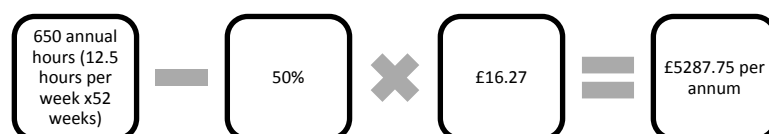
- 4.8 From the information analysed, we found councillors espoused a high sense of public duty. Given the weight of evidence presented to us concerning, among other factors, the levels of responsibility, the varied nature of the role, the need for learning and development, and the increasing accessibility and expectations of the public, we recommend a Public Service Discount of 50 per cent to the calculation of the basic allowance. This percentage sits at the top within the range of PSDs applied to basic allowances by councils in the south east.

#### Remuneration Rate

- 4.9 After establishing the expected time input to be remunerated, we considered a remuneration rate and came to a judgement about the rate at which the councillors ought to be remunerated for the work they do.
- 4.10 To help identify an hourly rate for calculating allowances, we utilised relevant statistics about the local labour market published by the Office for National Statistics. We selected the average (median), full-time gross<sup>6</sup> wage per hour for the South East of England. The latest available figure is £16.27.<sup>7</sup>

#### Calculating the basic allowance

- 4.11 After determining the amount of time required each week to fulfil the role (12.5 hours), the level of PSD to be applied (50%) and the hourly rate to be used (£16.27), we calculated the basic allowance as follows:



- 4.12 The gross Basic Allowance before the PSD is applied is **£10,575.50**. Following the application of the PSD this leads to a basic allowance of **£5,287.75** per annum. This is then rounded to **£5,288**.
- 4.13 This amount is intended to recognise the overall contribution made by councillors, including their work on council bodies, and ward work and attendance on external bodies.
- 4.14 We did also note the levels of basic allowance currently allocated by other Surrey district councils (see table below).

Council	Surrey District and Borough Councils: Basic Allowances (£) 2019 <sup>8</sup>
Guildford Borough Council	7,405
Woking Borough Council	7,200
Spelthorne Borough Council	6,200
Reigate and Banstead District Council	5,599
Elmbridge Heath Borough Council	5,183
<b>Surrey Heath Borough Council</b>	<b>5,087</b>
Waverley Borough Council	4,867
Mole Valley District Council	4,468

<sup>6</sup> The basic allowance, special responsibility allowance, dependants' carers' allowance, and co-optees' allowance are taxable as employment income.

<sup>7</sup> The Nomis official labour market statistics: Hourly Pay – Gross median (£) For full-time employee jobs by place of residence: UK December 2019.

<sup>8</sup> Figures drawn from the South East Employers, Members' Allowances Survey 2019 (November 2019).

Tandridge District Council	4,317
Runneymede Borough Council	4,000
Epsom & Ewell Borough Council	3,341
<b>Average</b>	<b>5,242</b>

- 4.15 The Panel wished to ensure the level of basic allowance does not constitute a barrier to candidates from all sections of the community standing, or re-standing, for election as councillors. The Panel was of the view that the 2020 review has begun to make recommendations to ensure that the current basic is in accordance with the principle of fair remuneration.

**WE THEREFORE RECOMMEND that the Basic Allowance payable to all members of Surrey Heath Borough Council be £5,288 per annum.**

### **Special Responsibility Allowances (SRAs)**

- 4.16 Special Responsibility Allowances are awarded to councillors who perform significant additional responsibilities over and above the roles and expenses covered by the basic allowance. These special responsibilities must be related to the discharge of the council's functions.
- 4.17 The 2003 Regulations do not limit the number of SRAs which may be paid, nor do they prohibit the payment of more than one SRA to any one councillor. They do require that an SRA be paid to at least one councillor who is not a member of the controlling group of the Council. As the guidance suggests, if the majority of councillors receive an SRA the local electorate may rightly question the justification for this.<sup>9</sup>
- 4.18 We conclude from the evidence we have considered that the following offices bear *significant* additional responsibilities:
- Leader of the Council
  - Deputy Leader of the Council
  - Members of the Executive
  - The Mayor and Deputy Mayor
  - Chair of the Planning Applications Committee
  - Vice Chair of the Planning Applications Committee
  - Chairs of the Overview and Scrutiny Committees
  - Chairs of the Audit and Standards Committee
  - Chair of the Licensing Committee
  - Chair of the Employment Committee
  - Political Group Leaders

### One SRA Only Rule

- 4.19 To improve the transparency of the scheme of allowances, we feel that no councillor should be entitled to receive at any time more than **one SRA**.
- 4.20 The One SRA Only Rule avoids the possible anomaly of the Leader receiving a lower allowance than another councillor. If two or more allowances are applicable to a councillor then the higher-valued allowance would be received. The One SRA Only Rule is common practice for many councils. Our calculations for the SRAs are based on this principle, which should be highlighted:

**WE THEREFORE RECOMMEND that that no councillor shall be entitled to receive at any time more than one Special Responsibility Allowance and that this One SRA Only Rule be adopted into the Scheme of Allowances.**

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<sup>9</sup> paragraph 72.

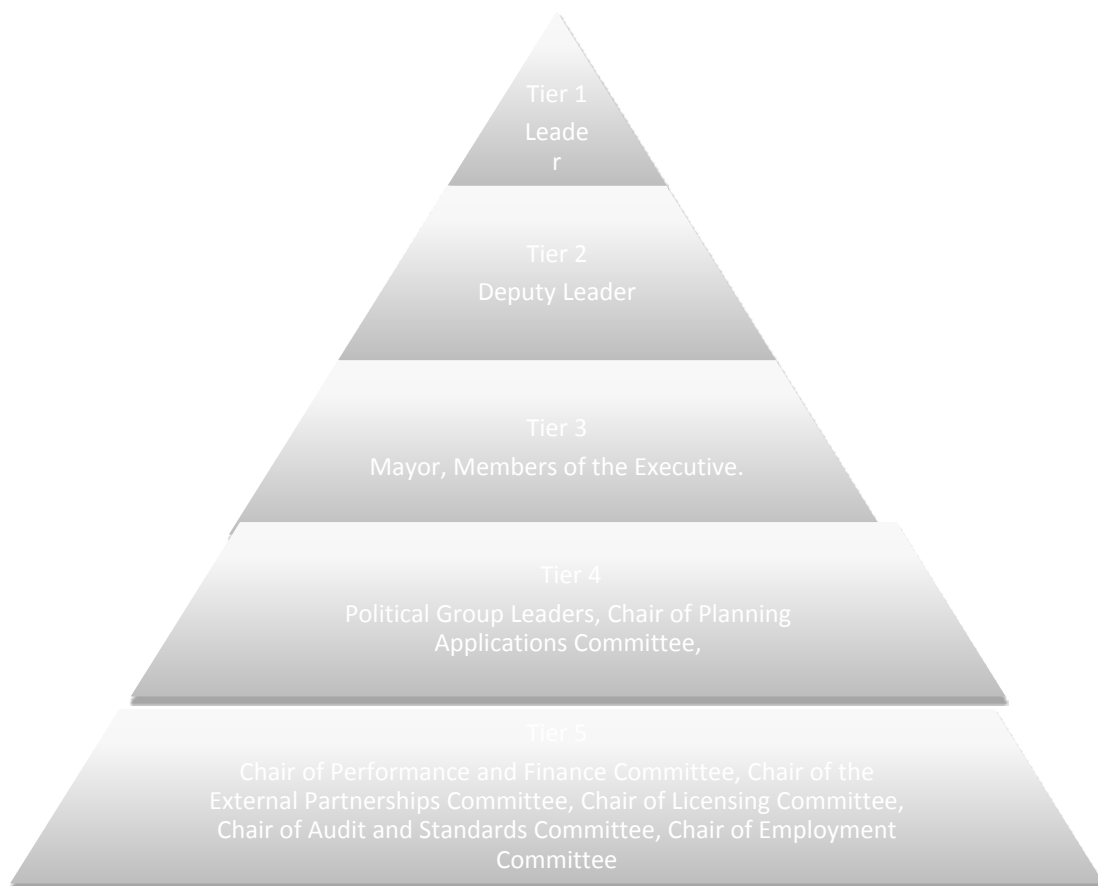
### The Maximum Number of SRAs Payable

- 4.21 In accordance with the 2003 Statutory Guidance (paragraph 72) the Panel is of the view that no more than 50% of Council Members (17 Members) should receive an SRA at any one time.

**WE THEREFORE RECOMMEND that the maximum number of SRAs payable at one time does not exceed 50% of Council Members (17 Members).**

### Calculating SRAs

- 4.22 The Panel agreed to apply a criteria and formula for calculating the Leader of the Council's SRA. This will be based on a multiplier of the Basic Allowance. The Leader is the role that carries the most significant additional responsibilities, and is also the most time consuming.
- 4.23 We applied a multiplier of the basic allowance to establish the Leader's SRA. Other SRAs are then valued downwards as a percentage of the Leader's allowance. This approach has the advantage that, when future adjustments to the SRAs are required, changing the Leader's SRA will have a proportionate and easily calculable effect on the other SRAs within the scheme.
- 4.24 We grouped together in Tiers those roles that we judged to have a similar level of responsibility. The outline result of this approach is illustrated in a pyramid of responsibility:



- 4.25 The rationale for these five tiers of responsibility is discussed below.



#### Leader (Tier One)

- 4.26 The Council elects for a four-year term of office a Leader who is ultimately responsible for the discharge of all executive functions of the Council. The Leader is the principal policy maker and has personal authority to determine delegated powers to the rest of the Executive. The Leader is also responsible for the appointment (and dismissal) of members of the Executive and their respective areas of responsibility.
- 4.27 The multiplier we applied to calculate the Leader's SRA is 260%, or 2.6 x the basic allowance. If the recommended option of a basic allowance with a PSD of 50% is adopted, this results in a Leader's Allowance of £13,749.

**WE RECOMMEND that the Leader of the Council continue to receive a Special Responsibility Allowance of 260% of the basic allowance, £13,749 per annum.**

#### Deputy Leader (Tier Two)

- 4.28 The Deputy Leader usually acts on the Leader's behalf in their absence. From the information we gathered, we consider this additional responsibility should be reflected in the level of allowance. Therefore, we recommend the Deputy Leader's SRA be set at 60% of the Leader's SRA. If our recommendations concerning the basic allowance and the Leader's SRA are adopted, this results in an allowance of £8,249.

**WE RECOMMEND that the Deputy Leader receive a Special Responsibility Allowance of 60% of the Leader's Special Responsibility Allowance, £8,249 per annum.**

#### Members of the Executive, Mayor (Tier Three)

- 4.29 From the evidence gathered, including questionnaire response and face to face interviews we consider the members of the Executive and the Mayor should receive an allowance of £5,500, 40% of the Leader's Allowance.
- 4.30 Evidence from the from the interviews we undertook with councillors, underlines the responsibility of the members of the Executive for many of the Council's functions. Members of the Executive hold considerable responsibility for their respective portfolios. In addition, we found the time commitment for the role to be significant and growing.
- 4.31 The Panel was of the view that the role of Mayor continues to have a high impact and profile across the Borough and has a very high number of engagements and commitments. We therefore recommend that the role continues to be recognised at Tier Three and receive an allowance of £5,500, 40% of the Leader's Special Responsibility Allowance.

**WE RECOMMEND that the Members of the Executive and the Mayor receive a Special Responsibility Allowance of 40% of the Leader's Special Responsibility Allowance, £5,500.**

#### The Chair of the Planning Applications Committee and Political Group Leaders, (Tier Four)

- 4.32. The Panel is of the view that the Chair of the Planning Applications Committee performs a significant role that has a high impact across the Borough. The frequency of meetings also mean that the role is demanding of time and resource. The Panel therefore recommend an allowance of 35% of the Leaders Allowance, £4,812.
- 4.33 The Panel is of the view that Political Group Leaders should continue to receive a Special Responsibility Allowance of 35% of the Leaders Allowance, £4,812. The Panel also felt that there should be a threshold in place for a Group Leader to receive an allowance. To receive an allowance a Group Leader should be required to lead a group of at least 10% of all Members (4 Members).

In addition, as the Panel has also recommended that the 'One SRA Only' rule should apply then any group leader already receiving an SRA will only receive the higher allowance and therefore this may mean that they no longer receive the Political Group Leader's Allowance.

**WE RECOMMEND that the allowance for the Chair of Planning Applications and the Political Group Leaders Allowance should receive a Special Responsibility Allowance of 35% of the Leader's Special Responsibility Allowance, £4,812. Also, we recommend that Political Group Leaders are required to have at least 10% of all Members (4 Members) within their Group to be entitled to receive the allowance**

The Chair of the Performance and Finance Committee, The Chair of the External Partnerships Committee, Chair of the Licensing Committee, Chair of Audit and Standards Committee and Chair of the Employment Committee (Tier 5)

- 4.34 The Overview and Scrutiny Committees (Performance and Finance and External Partnerships) do not have formal decision-making powers; but are influential and new Government Statutory Guidance (May 2019) has sought to increase the scope and influence of the scrutiny function. We have considered the requirements of the two chairs and consider that both are a significant function that has a statutory legal requirement. We consider this role should also receive a Tier Five allowance of £3,712, 27% of the Leader's Allowance
- 4.35 The Panel is also of the view that the Chair of Licensing Committee, Chair of Audit and Standards Committee and the Chair of the new Employment Committee should all receive a Tier 5 Special Responsibility Allowance, 27% of the Leaders Allowance, £3,712

**WE RECOMMEND that the allowance for the Chair of the Performance and Finance Committee, the Chair of the External Partnerships Committee, the Chair of the Licensing Committee and the Chair of the Employment Committee should receive a Special Responsibility Allowance of 27% of the Leader's Special Responsibility Allowance, £3,712.**

Other Allowances

- 4.36 Following discussion and from an analysis of the role the Panel is of the view that the allowance for Deputy Mayor should be slightly increased. Currently the Deputy Mayor receives an SRA of £1,607. The Panel consider that this allowance should be increased to £1,650, 30% of the Mayor's Special Responsibility Allowance.
- 4.37 As outlined in 4.32 the Panel regard the role of Chair of Planning Applications as both a complex and a time-consuming role. The Panel is of the view that this Committee requires an active Vice Chair. The Panel therefore recommends that the Vice Chair of Planning Applications should receive an allowance of 50% of the Chair of Planning Applications, £2,406.
- 4.38 With regard to the Vice Chair roles of the other Committees the Panel did not hear any evidence that these are roles that should receive a Special Responsibility Allowance. Therefore, the Panel recommends that no allowance should continue to be payable to the roles of Vice Chair of the Performance and Finance Committee, Vice Chair of External Partnerships Committee, Vice Chair of Licensing Committee, Vice Chair of the Audit and Standards Committee and Vice Chair of the Employment Committee. This will lead to a reduction of five Special Responsibility Allowances.

**WE RECOMMEND that the Vice Chair of the Deputy Mayor should receive an allowance of 30% of the Mayor's Special Responsibility Allowance, £1,650. The Vice Chair of the Planning Applications Committee should receive an allowance of 50% of the Chair of Planning Applications Special Responsibility Allowance, £2,406.**

**That no allowance should continue to be payable for the Vice Chairs of the Performance and Finance Committee, the Vice Chair of the External Partnerships Committee, the Vice Chair of the Licensing Committee, the Vice Chair of the Audit and Standards Committee and the Vice Chair of the Employment Committee**

#### **Travelling and Subsistence Allowance**

- 4.39 A scheme of allowances may provide for any councillor to be paid for travelling and subsistence undertaken in connection with any of the duties specified in Regulation 8 of the 2003 Regulations including any other duties approved by the Council. Similarly, such an allowance may also be paid to co-opted members of a committee or sub-committee of the Council in connection with any of those duties, provided that their expenses are not also being met by a third party.
- 4.40 The amounts payable to Members in respect of car and motorcycle mileage payments will be at the maximum rate per mile that can be paid tax-free as defined by HM Revenue and Customs or the lower rate paid to officers of the Council, whichever is the lesser.
- 4.41 The amounts payable to Members in respect of taxi travel, travel by air and European Travel, and the terms and conditions of those payments, will be as those set for officers of the Council

#### **Travelling and Subsistence Allowances – Eligibility**

- 4.42 As general guidance, Members will be eligible for travelling and subsistence allowances when there has been attendance at meetings of the Council, its Executive, committees and working groups of which a councillor is a member. Other meetings authorised in advance by the Executive Head of Corporate, the Executive or the relevant committee, such as site visits, are also eligible together with certain other meetings and seminars etc which are considered by the Executive Head of Corporate to be of strategic importance.
- 4.43 For the purposes of travelling and subsistence, examples of activities regarded as approved duties for Members receiving a special responsibility allowance are as follows:
- (i) Briefing of political group leaders by Chief Executive or other senior officers.
  - (ii) Chairmen and vice-chairmen briefings for committee meetings.
  - (iii) Briefings by senior officers on issues, as chairmen/vice-chairmen or portfolio holder.
- 4.44 Additionally, where a Member has been appointed as the Council's representative on an outside body, travelling expenses, where attendance has involved a journey or journeys totalling in excess of 3 miles, will be met. If a Member becomes a representative of that outside organisation on a further body, the similar travelling expenses will be met.
- 4.45 All Members will be entitled to claim travelling expenses on the following basis:
- (i) if a Member is permanently resident outside the Borough, he or she may use that address as the starting point for the journey, save that Members may only claim travelling costs from the Borough boundary in respect of meetings held at Surrey Heath House (or any other "official" location);

- (ii) if a Member temporarily resides outside the Borough, subject to the prior agreement of the Executive Head of Corporate, after consultation with the Leader of the Council, that address may be used as the basis for travelling expense claims for the duration of the period of temporary residence;
- (iii) if a Member works outside the Borough but lives within it, return travelling expenses for meetings at Surrey Heath House may only be claimed to and from the Members' home.

**WE RECOMMEND that travelling and subsistence allowance should continue to be payable to councillors and any co-opted members in connection with any approved duties.**

#### **Dependants' Carers' Allowance**

- 4.46 The current level of dependants' carers' allowance is £7.00 per hour for Childcare and £17.50 for Carers' of Dependents. The dependants' carers' allowance should ensure that potential candidates are not deterred from standing for election and should enable current councillors to continue despite any change in their personal circumstances. However, the current maximum remuneration for those with caring responsibilities could leave councillors out of pocket particularly if they are required to cover the cost of specialist care for adults or children with special needs.
- 4.47 The Panel therefore is of the view that the Dependants' Carers Allowance should be based on two rates, general childcare and specialist care. The Panel was of the view that specialist care provision should be reimbursed for the actual cost incurred by the councillor upon production of receipts. Medical evidence that this type of care provision is required must also be provided and approved by an appropriate officer of the Council. Childcare rates should be up to £11 per hour upon production of receipts.

**WE THEREFORE RECOMMEND that the Dependants' Carers' Allowance should be based on two rates. Rate one for Childcare be at a rate of £11.00 per hour, with no monthly maximum claim. Rate two should be for specialist care based at cost upon production of receipts and requiring medical evidence that this type of care is required.**

**WE ALSO RECOMMEND that no change should be made to the current eligibility conditions for receipt of this allowance, except that the duties for which this allowance is payable should be in accordance with the list of approved Councillor duties. The Council should also actively promote the allowance to prospective and new councillors both before and following an election.**

#### **Approved Councillor Duties**

- 4.48 The Panel reviewed the recommended duties for which Dependants' Carers' Allowance and Travelling and Subsistence Allowance should be payable and have recommended that no changes be made.

**WE THEREFORE RECOMMEND that the recommended duties for which Dependants' Carers' Allowance and Travelling and Subsistence Allowance should be payable should be in accordance with the Approved Councillor Duties.**

#### **Parental Leave**

- 4.49 There is no uniform/ national policy to support councillors who require parental leave for maternity, paternity or adoption leave. According to the Fawcett Society (Does Local Government Work for Women, 2018) a *'lack of maternity, paternity provision or support' is a real barrier for women aged 18-44 to fulfil their role as a councillor*.

- 4.50 We are of the view that support should be provided for parental leave although we do not wish to stipulate an exact policy/procedure of another Council, the Panel is aware that the Local Government Association (LGA) has developed a model policy that has been adopted by a growing number of councils across the south east region.
- 4.51 There is no legal right to parental leave of any kind for people in elected public office. However, as a way of improving the diversity of Councillors the Panel would recommend that the Members' Allowance Scheme should be amended to include provisions that clarify that:
- 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.
- 4.52 The Panel is conscious that these provisions do not replicate the LGA policy but that policy introduces elements that are more akin to employees which in terms of employment legislation does not include Councillors. We feel that our recommendations more simply and adequately reflect the situation relating to Councillors and clarify for them what they can expect. Borough Councillors however may wish to further develop the above recommendations so that they reflect the LGA policy.

**WE RECOMMEND that the approach outlined is adopted as a basis of a policy to support parental leave for councillors.**

#### **Indexing of Allowances**

- 4.53 A scheme of allowances may make provision for an annual adjustment of allowances in line with a specified index. The present scheme makes provision for the basic allowance, the special responsibility allowances and the dependants' carers' allowance to be adjusted annually. The Panel recommend that this indexation should be in line with increases in staff salaries at Surrey Heath Borough Council.

**WE RECOMMEND that the basic allowance, each of the SRAs and the Dependants' Carers' Allowance be increased annually in line with the percentage increase in staff salaries until 2024, at which time the Scheme shall be reviewed again by an independent remuneration panel.**

#### **Revocation of current Scheme of Allowances / Implementation of new Scheme**

- 4.54 The 2003 Regulations provide that a scheme of allowances may only be revoked with effect from the beginning of a financial year, and that this may only take effect on the basis that the authority makes a further scheme of allowances for the period beginning with the date of revocation.

**WE THEREFORE RECOMMEND that the new scheme of allowances to be agreed by the Council be implemented with effect from the beginning of the 2020-21 municipal/financial year, at which time the current scheme of allowances will be revoked.**

## **5. OUR INVESTIGATION**

### **Background**

- 5.1 As part of this review, a questionnaire was issued to all councillors to support and inform the review. Responses were received from 18 councillors, which represent just over 51% of the Council. The information obtained was helpful in informing our deliberations.
- 5.2 We interviewed five current councillors. We also met the Council's Executive Head and Monitoring Officer, Richard Payne, who expanded on some of the key issues that were likely to affect the Council in the future. We are grateful to all our interviewees for their assistance.

### **Councillors' views on the level of allowances**

- 5.3 A summary of the councillors' responses to the questionnaire is attached as Appendix 2.

**Mark Palmer (Independent Remuneration Panel, Chair)**

**Lucy Brown (Independent Remuneration Panel)**

**Paul Marcus (Independent Remuneration Panel)**

**Mark Selby (Independent Remuneration Panel)**

**February 2020**

## Appendix 1 – Summary of Panel Recommendations

Allowance	Current Amount for 2019-20	Number	Recommended Allowance (35% PSD)	Recommended Allowance Calculation
<b>Total Basic:</b>	<b>£5,087</b>	<b>35</b>	<b>£5,288</b>	

Special Responsibility:				
Leader of the Council	£13,864	1	£13,749	260% of BA
Deputy Leader	£8,686	1	£8,249	60% of Leader's Allowance
Members of the Executive	£4,626	6 <sup>10</sup>	£5,500	40% of Leader's Allowance
Mayor	£4,823	1	£5,500	40% of Leader's Allowance
Deputy Mayor	£1,607	1	£1,650	30% of the Mayor's Allowance
Political Group Leader	£4,626	3 <sup>2</sup>	£4,812	35% of Leader's Allowance
Chair: Performance and Finance	£3,700	1	£3,712	27% of Leader's Allowance
Vice Chair: Performance and Finance	£1,478	1	No SRA to be payable	
Chair: External Partnerships	£3,700	1	£3,712	35% of Leader's Allowance
Vice Chair: External Partnerships	£1,478	1	No SRA to be payable	
Chair: Planning Applications	£4,283	1	£4,812	35% of the Leader's Allowance
Vice Chair: Planning Applications	£2,141	1	£2,406	50% of Planning Applications Chairs Allowance
Chair: Licensing	£3,700	1	£3,712	27% of the Leader's Allowance
Vice Chair: Licensing	£1,478	1	No SRA to be payable	

<sup>10</sup> Excludes the Leader and Deputy Leader, i.e., the Executive has a maximum of 8 members.

<sup>2</sup> Political Group Leaders require 10% of all Members (4 or more members) to be eligible for the Political Group Leaders Allowance.

Chair: Audit and Standards	£3,700	1	£3,712	27% of the Leader's Allowance
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<b>Vice Chair: Audit and Standards</b>	£1,478	1	No SRA to be payable	
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<b>Chair: Employment</b>		1	£3,712	27% of the Leader's Allowance
<b>Vice Chair: Employment</b>		1	No SRA to be Payable	

<b>Dependent Carers' Allowance</b>	Childcare £7.00 per hour Carers' of Dependents £17.50 per hour		Childcare £11.00 per hour Carers' of Dependents: reimbursed at cost upon production of receipts	
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## **Appendix 2: IRP Review of Councillor Allowances – Responses to Questionnaire 2020**

Q1 In a typical week how many hours do you spend on Council business?

Answered: 18 Skipped: 0

The responses ranged from 5 hours to 30 with the average been 14 hours

Q2 Do you incur any significant costs which you believe are not covered by your present allowance?

Answered: 18 Skipped: 0

Yes

No

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

ANSWER CHOICES	RESPONSES	
Yes	11.11%	2
No	88.89%	16
<b>TOTAL</b>		<b>18</b>

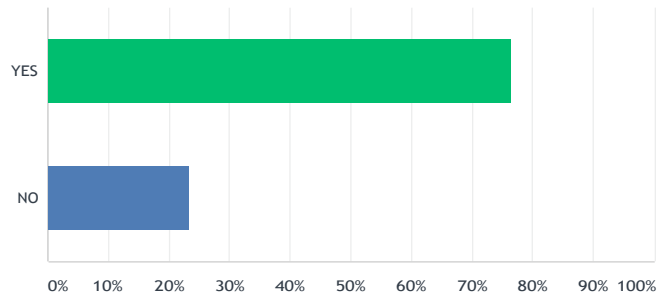
Q3 Government guidance states that “it is important that some element of the work of Councillors continues to be voluntary”. As part of their deliberations, Independent Remuneration Panels will assess what Public Service Discount should apply to the basic allowance - that is the percentage of their time Councillors expect to give without any financial remuneration. Accordingly, what do you feel is an acceptable amount of time to be given, unremunerated, if any, expressed as a percentage?

Answered: 16 Skipped: 2

The responses ranged from 5 to 100% with the average been 25%.

Q4 The present level of Basic Allowance payable to all Councillors is £5,087. Do you think this is appropriate?

Answered: 17 Skipped: 1



ANSWER CHOICES	RESPONSES	
YES	76.47%	13
NO	23.53%	4
TOTAL		17

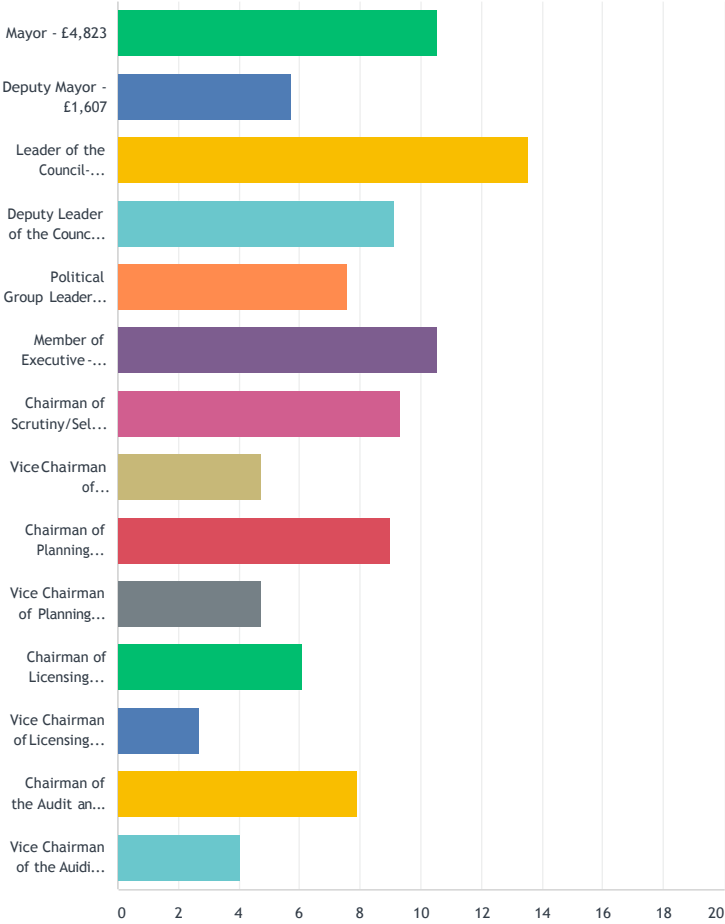
Q5 If you are able to, please indicate an appropriate level £:

Answered: 6 Skipped: 12

The responses ranged from £5,087 to £8,000, with a recommendation to link to the average median hourly rate.

Q6 Special Responsibility Allowances (SRAs) are currently paid as follows:  
 [To assist the Panel to produce a more consistent group of allowances,  
 please can you score each role / position in respect of importance and  
 impact: 1 to 14, with 1 being the most important, and 14 being the least  
 important.]

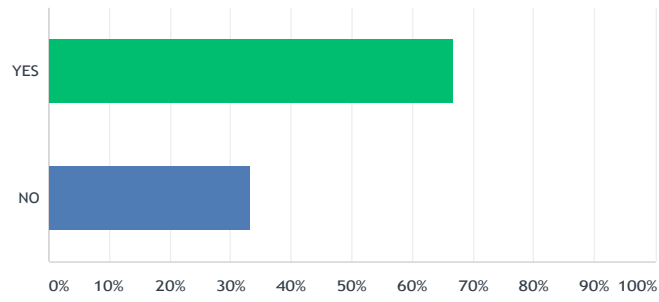
Answered: 18 Skipped: 0



	1	2	3	4	5	6	7	8	9	10	11	12	13
Mayor - £4,823	11.11% 2	27.78% 5	16.67% 3	22.22% 4	0.00% 0	0.00% 0	5.56% 1	0.00% 0	5.56% 1	0.00% 0	0.00% 0	0.00% 0	5.56
Deputy Mayor - £1,607	0.00% 0	0.00% 0	5.56% 1	0.00% 0	16.67% 3	11.11% 2	5.56% 1	11.11% 2	5.56% 1	5.56% 1	0.00% 0	0.00% 0	16.67
Leader of the Council- £13,864	88.89% 16	5.56% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	5.56% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00
Deputy Leader of the Council- £8,686	0.00% 0	22.22% 4	5.56% 1	16.67% 3	0.00% 0	5.56% 1	16.67% 3	5.56% 1	16.67% 3	5.56% 1	5.56% 1	0.00% 0	0.00
Political Group Leader -£4,626	0.00% 0	16.67% 3	11.11% 2	5.56% 1	5.56% 1	11.11% 2	5.56% 1	0.00% 0	5.56% 1	5.56% 1	0.00% 0	22.22% 4	5.56
Member of Executive - £4,626	0.00% 0	11.76% 2	35.29% 6	17.65% 3	11.76% 2	5.88% 1	0.00% 0	11.76% 2	0.00% 0	5.88% 1	0.00% 0	0.00% 0	0.00
Chairman of Scrutiny/Select Committee - £3,700	0.00% 0	0.00% 0	5.56% 1	16.67% 3	33.33% 6	5.56% 1	27.78% 5	11.11% 2	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00
Vice Chairman of Scrutiny/Select Committee - £1,478	0.00% 0	0.00% 0	0.00% 0	5.56% 1	0.00% 0	0.00% 0	5.56% 1	16.67% 3	11.11% 2	11.11% 2	16.67% 3	11.11% 2	5.56
Chairman of Planning Applications Committee- £4,283	0.00% 0	5.56% 1	5.56% 1	11.11% 2	16.67% 3	27.78% 5	5.56% 1	16.67% 3	5.56% 1	5.56% 1	0.00% 0	0.00% 0	0.00
Vice Chairman of Planning Applications Committee - £2,141	0.00% 0	0.00% 0	0.00% 0	0.00% 0	5.56% 1	0.00% 0	5.56% 1	0.00% 0	5.56% 1	27.78% 5	33.33% 6	22.22% 4	0.00
Chairman of Licensing Committee-£3,700	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	11.11% 2	16.67% 3	16.67% 3	11.11% 2	22.22% 4	16.67% 3	5.56% 1	0.00
Vice Chairman of Licensing Committee-£1,849	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	5.56% 1	0.00% 0	5.56% 1	5.56% 1	33.33% 6	27.78
Chairman of the Audit and Standards Committee-£3,700	0.00% 0	5.56% 1	11.11% 2	5.56% 1	11.11% 2	22.22% 4	5.56% 1	0.00% 0	22.22% 4	0.00% 0	0.00% 0	0.00% 0	16.67
Vice Chairman of the Audit and Standards Committee- £1,478	0.00% 0	5.56% 1	5.56% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	11.11% 2	5.56% 1	22.22% 4	5.56% 1	22.22

### Q7 Would you like to see any of these changes made to these allowances?

Answered: 18 Skipped: 0

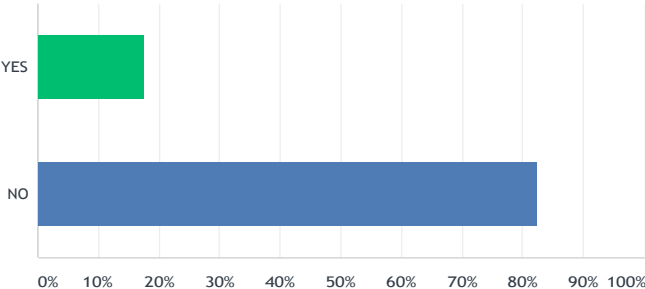


ANSWER CHOICES	RESPONSES	
YES	66.67%	12
NO	33.33%	6
TOTAL		18



Q8 Would you like to see any new SRAs introduced?

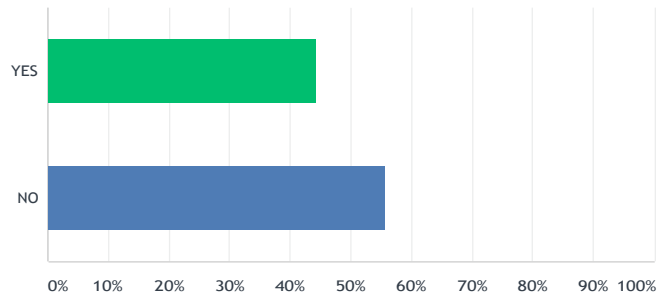
Answered: 17 Skipped: 1



ANSWER CHOICES	RESPONSES
YES	17.65% 3
NO	82.35% 14
TOTAL	17

Q9 Dependent Relative Care - up to £17.50 per hour. Do you think these rates should be increased?

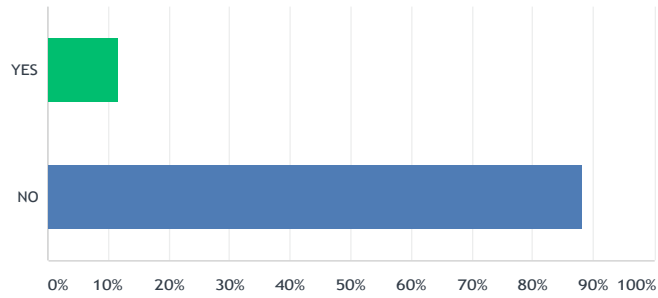
Answered: 18 Skipped: 0



ANSWER CHOICES	RESPONSES	
YES	44.44%	8
NO	55.56%	10
TOTAL		18

Q10 The current scheme of travel allowances are linked to those recommended by HMRC level. Do you have any comments on the current scheme for Councillors?

Answered: 17 Skipped: 1



ANSWER CHOICES	RESPONSES	
YES	11.76%	2
NO	88.24%	15
TOTAL		17

#### Appendix 4. Financial Implications

Allowance	Current Allowance (2019-20) £	Number	Current total per annum £	Recommended Allowance (50% PSD) £	Recommended Allowance Calculation	Recommended Allowance total per annum £
<b>Basic (BA)</b>						
<b>Total Basic:</b>	<b>5,087.08</b>	<b>35</b>	<b>178,048</b>	<b>5,288</b>	–	<b>185,080</b>
<b>Increase £</b>						<b>7,032</b>

<b>Special Responsibility:</b>						
Leader of the Council	13,864	1	13,864	13,749	260% of BA	13,749
Deputy Leader	8,686	1	8,686	8,249	60% of Leader's SRA	8,249
Members of the Executive	4,626	6	27,756	5,500	40% of Leader's SRA	33,000
Mayor	4,823	1	4,823	5,500	40% of Leader's SRA	5,500
Deputy Mayor	1,607	1	1,607	1,650	30% of the Mayor's SRA	1,650
Political Group Leader	4,626	3	13,878	4,812 1	35% of Leader's SRA	9,624
Chair: Performance and Finance	3,700	1	3,700	3,712	27% of Leader's SRA	3,712
Vice Chair: Performance and Finance	1,478	1	1,478	0	No SRA	0
Chair: External Partnerships	3,700	1	3,700	3,712	27% of Leader's SRA	3,712
Vice Chair: External Partnerships	1,478	1	1,478	0	No SRA	0
Chair: Planning Applications	4,283	1	4,283	4,812	35% of the Leader's SRA	4,812
Vice Chair: Planning Applications	2,141	1	2,141	2,406	50% of the Planning Applications Chair SRA	2,406
Chair: Licensing	3,700	1	3,700	3,712	27% of the Leader's SRA	3,712
Vice Chair: Licensing	1,478	1	1,478	0	No SRA	0
Chair: Audit and Standards	3,700	1	3,700	3,712	27% of the Leader's SRA	3,712
Vice Chair: Audit and Standards	1,478	1	1,478	0	No SRA	0
Chair: Employment		1		3,712	27% of the Leader's SRA	3,712
Vice Chair: Employment		1		0	No SRA	0

<b>Total SRA'S</b>			<b>97,750</b>			<b>97,550</b>
<b>Increase/ Decrease £</b>						<b>200</b>
<b>BA + SRAs</b>			<b>275,798</b>			<b>282,630</b>
<b>Increase £</b>						<b>6,832</b>

<b>Dependants' Carers' Allowance</b>	7.00 Childcare 17.50 Carers' of Dependent			11.00 Childcare Carers' of Dependents reimbursed at costs upon production of receipts		
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1. Political Group Leader requires 10% of total members in group (4 members). Currently this will lead to two groups receiving the allowance.