



MEMBERS' ALLOWANCES

**REPORT OF THE
INDEPENDENT REMUNERATIONS PANEL**

TO

SURREY HEATH BOROUGH COUNCIL

6 FEBRUARY 2017

Report of the Independent Remuneration Panel on Members' Allowances

Members of the Panel

- ◆ Lucy Brown – Chief Executive Disability Initiative
- ◆ Ian Hylan – Executive Principle, Tomlinscote School and 6th Form College
- ◆ Robin Lennie – MD Stihl
- ◆ Paul Marcus – MD Eagle Radio Ltd
- ◆ Mark Selby – EM3 LEP Growth Hub

Officers

- ◆ Richard Payne – Executive Head of Corporate
- ◆ Jane Sherman – Democratic and Electoral Services Manager
- ◆ Andrew Crawford – Democratic and Electoral Services Officer

1. Terms of Reference

The Independent Remunerations Panel (IRP) acknowledged its Terms of Reference, as issued by the Chief Executive of Surrey Heath Borough Council and noted that these complied with current legislation, including the Members' Allowances Regulations 2003, as amended and the Guidance on Consolidated Regulations for Local Authorities.

2. Evidence Considered

- 2.1 The Panel was mindful of the Legislation on Members allowances and in particular the Local Government Act 2000, Members' Allowances Regulations 2003 and related guidance.
- 2.2 It was noted that the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 – Regulation 26 had revoked access to the LGPS for Councillors, other than those in the Scheme prior to 1 April 2014. No Borough Councillors had been Scheme members prior to the cut-off date.
- 2.3 The Panel referred to the report of the previous IRP, which had reported in 2012, noting the reasoning behind its recommendations on Borough Council Members' allowances.
- 2.4 It was noted that the previous Panel had taken into account the impact of the Strong Leader structure on the workload of councillors and had paid particular attention to the roles benefiting from special responsibility allowances.
- 2.5 The Panel had available to it a package of comparator data, including schemes operated by a range of Councils across South East England,

information on current Member roles within the Council and Member responses to a survey on workloads and financial loss.

- 2.6 The Panel was made aware of potential future changes in the make-up of the Council and in particular with the numbers of Members on the Council. This was reflected in Panel recommendations on when a future IRP should meet.

3. Principles of Setting the Allowances

The Panel, in its consideration, took into account the following principles:

- (i) There was a need to ensure that the level of allowances allowed those who worked, or who had carer roles, an opportunity to come forward as councillors and to carry out their roles successfully;
- (ii) The work of a Councillor is essentially voluntary in nature. Government Guidance also recognises that some elements of Members' work should remain voluntary;
- (iii) Any scheme of allowances should be fair, transparent and logical;
- (iv) Allowances apply to roles within the Council, not individual Councillors;
- (v) Allowances should represent reasonable compensation to Councillors for expenses they incur, and time they commit, in relation to their role, not remuneration for their work. Councillors are not paid employees of the Council and their allowances should not be treated as salary;
- (vi) Allowances cannot be used to recognise individual performance. The legislation does not provide for "performance related" allowances.
- (vii) Special responsibility allowances are used to recognise the significant additional responsibilities which attach to some roles, not just the extra time required.

4. Key Issues

- 4.1 Members' allowances had previously been reviewed in 2012/13. As a result of this review, Members allowances had not changed in 2012/13, but had been indexed to the CPI from 2013/14 for a period of 4 years. This arrangement would end after the 2016/17 municipal year.

A review of Borough allowances had now been requested, specifically in relation to:

- the basic allowance;
- special responsibility allowances;
- travel and subsistence allowances;

- Child and Dependents' carers' allowances
- whether to index link any increases (up to 4 years); and
- whether payment of allowances may be backdated.

5. Summary of Findings - Borough Councillor Allowances

- 5.1 The Panel considered the range of allowances applicable to Borough Councillors. Consideration was given to comparator data provided by the South East Employers and the outcome of a Member survey.
- 5.2 The Panel noted that the Council was likely to be subject to considerable changes over the next few years, particularly in relation to funding arrangements and the provision of health and social care (such as the Sustainability and Transformation Plan) and devolution, which could affect all layers of local government. In addition it was noted that a review of the Council's electoral arrangements would be likely to see a reduction in the number of councillors from 40 to 35 from May 2019 onwards. As a result the Panel considered that their recommendations should only apply for a 2 year period, i.e for 2017/18 and 2018/19, so as to allow for a further review following the Borough Council elections in May 2019.
- 5.3 The Panel also noted that the data provided relating to the allowances paid by other councils in the south east, supported the view that the Council's current level of basic allowance, Special Responsibility Allowances and other allowances, were at a comparable level to those of neighbouring authorities with similar demographics.
- 5.4 Recent changes were noted to the support received by Members, with the introduction of iPads (without SIM cards) and a corresponding withdrawal of allowances related to ICT.
- 5.5 Considering the position at the time of the previous IRP and the changes listed in this report, the Panel proposed the following:

(i) Basic Allowance

The Panel recommend that the basic allowance for Members, currently £4,990, increase by 1% in May 2017 and May 2018. It was considered that this would provide certainty for the Council in agreeing its budgets whilst providing an increase in allowances so that they remained up to date.

(ii) Special Responsibility Allowances (SRA)

The Panel noted that, since 2012, the impact of the Strong Leader role had now been fully recognised. The Panel were advised that, since the

last review, the Council had become more business orientated and commercially focussed, particularly since the purchase of a substantial number of land holdings in Camberley Town Centre and 2 industrial estates in the wider Borough. This had had a considerable effect on the responsibilities of all councillors, but principally the Leader and Deputy Leader.

It recognised that the Leader was supported by the Deputy Leader and that many other district councils provided for a deputy leaders allowance to recognise the workload, risks and responsibilities of that role. The Panel were of the opinion that it would be appropriate to introduce a SRA for the role of Deputy Leader.

The Panel acknowledged the continuing demands placed on the Chairman and Vice-Chairman of the Planning Applications Committee, which had been highlighted by the previous IRP.

It was noted that the Standards Hearing and Determination Committee had not been re-established in 2015/16 and that a new Audit and Standards Committee had been established.

(iii) Travel/Subsistence Allowances

The Panel considered that subsistence allowances should continue to match those received by officers and that car mileage payments continue to be paid 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 was the lower.

(iv) Child and Dependent Carer's Allowances

The Panel considered that it was important to have an open, transparent and fair scheme to encourage people to come forward as potential councillors. It was recognised that the cost of caring for elderly dependants could be higher than childcare costs and that allowances would be made in respect of actual costs.

It was noted that, whilst £7.00 per hour was in line with current childcare charges, the current carer of dependents allowance, at £15.00, was lower than the charges that carers would face. It was proposed that the childcare level be retained at £7.00, but that the Dependent Carer's allowance be increased to £17.50.

(v) Recommendations

The Panel recommended that:

- (a) the basic allowance for Members, currently £4,990, be increased annually by 1% in May 2017 and May 2018;**

- (b) a new Special Responsibility Allowance be established for the Deputy Leader, to commence at £8,600 on 17 May 2017 and to increase by 1% in May 2018 in line with other allowances;
- (c) a Special Responsibility Allowances for the Chairman and Vice-Chairman of the Audit and Standards Committee be commensurate with those of the Chairmen and Vice-Chairmen of Scrutiny/Select Committees; and
- (d) Special Responsibility Allowances, currently as set out below, be made for the following roles, and be increased by 1% per annum in May 2017 and May 2018:

| | Current Allowances |
|---|---------------------------|
| The Leader | 13,591 |
| Political Group Leader | 4,534 |
| Member of the Executive | 4,534 |
| Scrutiny/Select Committee Chairmen | 3,627 |
| Scrutiny/Select Committee Vice-Chairmen | 1,448 |
| Planning Applications Committee Chairman | 4,199 |
| Planning Applications Committee Vice-Chairman | 2,099 |
| Licensing Committee Chairman | 3,627 |
| | Current Allowances |
| Licensing Committee Vice-Chairman | 1,813 |
| Audit and Standards Committee Chairman | 3,627 |
| Audit and Standards Committee Vice-Chairman | 1,448 |
| Mayor | 4,728 |
| Deputy Mayor | 1,575 |

- (e) the subsistence allowances match those received by Borough Council Officers; and
- (f) car 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.
- (g) subject to the proof of payment being submitted with all claims, child and dependant carer's allowances be paid as follows:

Childcare – Up to £7.00 per hour
 Carers of Dependents – up to £17.50 per hour

- (h) **in the event that a decision on allowances cannot be made before the start of the municipal year, allowances payable to Borough Councillors for 2017/18 be backdated to 17 May 2017.**

6. Future Meeting of the Independent Remunerations Panel

- 6.1 The Panel had recognised the likelihood of change in the short and medium term and its effect on the Council. The Panel had given weight to this when considering the timescales which were built into its recommendations. It was proposed that a further review of Members Allowances be conducted in September 2019 following the Borough Council elections in May 2019, if possible using the same members, for continuity and that any decisions made by the subsequent IRP be backdated to the beginning of the 2019/20 municipal year.

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