

**TWENTY-FIRST REPORT OF THE
INDEPENDENT REMUNERATION PANEL
ON
MEMBERS' ALLOWANCES
FOR
REIGATE AND BANSTEAD BOROUGH COUNCIL**

May 2021

Introduction

1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is required to establish and maintain an Independent Remuneration Panel (IRP). The purpose of the Panel is to consider and make recommendations to the Council about the allowances paid Members under its Scheme of Allowances. The Council must make the final decision on its Scheme but in doing so it must have regard to the advice of the IRP before making any changes.

The Independent Remuneration Panel

2. The current IRP was appointed at Council in February 2021. The Panel consists of three members: John Thompson (Chair), Farah Stehrenberger and Robert Coyle. The members of the panel come with a wide range of experience. Their profiles are at Appendix 1.

Executive Summary

3. This report contains 22 recommendations covering a range of issues, including:
 - Introducing a 4-year cycle of full reviews of the members allowances scheme and basing approved increases in allowances on the annual increase in the Consumer Price Index (CPI) in January each year
 - The following changes to the 2020/21 Scheme,
 - Introduction of a Special Responsibility Allowance for the Vice Chair of the Overview & Scrutiny Committee
 - Removal of part of the Mayor's SRA from the Members Allowance to the Mayoralty Budget applicable from the date of the appointment of the Mayor for 2021/22 and thereafter
 - Removal of the Deputy Mayors SRA from Members' Allowances to the Mayoralty Budget applicable from the date of the appointment of the Mayor for 2021/22 and thereafter
 - Clarification of the arrangements for Maternity, Paternity and Adoptive Parents leave
 - Some minor tidying up of the scheme
 - The revised Scheme becomes effective from 1 April 2021, except for the changes to the SRA for the Mayor and Deputy, which will apply from the date of their appointment for 2021/22 – because we'll have new Members then, and backdating it to April 21 will mean that overpayments need to be rectified.
 - The programme of work for the Panel over the next three years

Recommendations

4. The Panel considered the Scheme of Allowances in line with the Methodology laid out in Appendix 2 and the Terms of Reference and General Principles in Appendix 3. The Panel consider Consumer Price Index (CPI) an appropriate benchmark for the purpose of uplifting Members Allowances'.
5. The Panel therefore recommends uplifts to the Allowances as detailed in the recommendations in the table below. These increases are based on increase in CPI for the year to January 2021 of 0.9%. Detailed Commentary on the recommended changes set out below is at Appendix 4.

Effective Date for Changes

6. The Panel recommend that the effective date for changes be 1 April 2021. The SRAs paid to the Mayor and Chair of the Council), are payable from the start of the Municipal Year.

Basic Allowance	
Recommendation 1:	The Basic Allowance be increased from £5,680 to £5,721.
Special Responsibility Allowances (SRAs)	
Recommendation 2:	The Leaders of Political Groups SRA be increased from £147 to £148 and the allowance per member remain unchanged at £58.
Recommendation 3:	The Leader of Council SRA be increased from £14,151 to £14,278.
Recommendation 4:	The Deputy Leader of Council SRA be increased from £11,557 to £11,661.
Recommendation 5:	The Other Portfolio Holders SRA be increased from £9,434 to £9,519.
Recommendation 6:	The Chair of the Council SRA be increased from £2,667 to £2,691. This role is performed by the Mayor. This SRA covers the responsibility for Charing meetings of the Full Council. The Panel note that the Mayor is not permitted to sit on any Committee of the Authority. (See Recommendations 15 and 16 below.)
Recommendation 7:	The Chair of the Planning Committee SRA be increased from £5,442 to £5,491.
Recommendation 8:	The Chair of the Overview and Scrutiny Committee SRA be increased from £3,162 to £3,190.
Recommendation 9:	The Vice-Chair of the Overview and Scrutiny Committee be paid an SRA of £957. Vice-Chair of Overview and Scrutiny Committee Both Group Leaders and Senior Officers recognised that the SRAs should be paid to more members of the Committee. As a start the Panel recommend that an SRA be paid to the Vice Chair of 30% of the Chair's SRA
Recommendation 10:	The Chair of the Audit Committee SRA be increased from £3,162 to £3,190.
Recommendation 11:	The Chair of the Budget Scrutiny Review Panel SRA be increased from £441 to £445.
Recommendation 12:	The Chair of the Licensing and Regulatory Committee SRA be increased from £411 to £445.
Recommendation 13:	The Chair of the Licensing and Regulatory Sub-Committee SRA be increased from £308 to £311.

Recommendation 14:	The Members of the Planning Committee SRA be increased from £804 to £811.
Recommendation 15: Recommendation 16:	The Mayoral SRA be set at £3,009. As the Mayor is also ex officio Chair of the Council the two SRAs be combined to make an SRA of £5,700 Mayoral Allowance The Panel recommends that the Mayoral expenses should not be part of an SRA. The Panel recommends that an SRA should be paid to reflect the responsibility exercised by the Mayor as a representative of the Authority in the Community.
Recommendation 17:	The Deputy Mayoral Allowance be removed from the list of SRAs payable. Deputy Mayoral Allowance This SRA should be treated like the balance of the Mayor's SRA and transferred to the Mayoralty Expenses budget.
Travelling Expense	
Recommendation 18:	Travel Allowances remain unchanged. The Panel did not undertake a review of these expenses.
Subsistence	
Recommendation 19:	Subsistence Allowances remain unchanged. The Panel did not undertake a review of these expenses.
Dependents' Carers' Allowance	
Recommendation 20:	Childcare Allowance be set at £12 per hour, Adult Basic Attendance set at the prevailing Surrey County Council Adult Domiciliary Care Rate and Higher Needs at an hourly rate agreed by the Head of Paid Service. The hours for which any of these allowances are claimed should include travelling time. To widen accessibility to local democracy and to provide clarity of this allowance, the Panel believe that setting rates per hours would make clearer what support is available.
Maternity, Paternity and Adoption Leave	
Recommendation 21:	The following wording be included in the Allowances Scheme: "During leave for Maternity, Paternity and Adoption reasons, all allowances in payment at the time should (will) continue to be paid during the statutory period of leave or until the claimant ceases to in the role that carries the allowance." This is not covered in the current Allowances Scheme.
Recommendation 22:	That that a full review of Members' Allowances be undertaken every four years and basing approved increases in allowances on the annual increase in the Consumer Price Index (CPI) in January each year.

Budget Impact

7. The net cost of these changes is £4,387 (1.1%). Excluding the changes to the Mayoralty Allowances which should be cost neutral. The details are set out in Appendix 5. Officers have confirmed that the additional cost can be met from within the existing budget allocation.

50% Rule

8. Some Authorities have a rule whereby no more than 50% of Members may receive an SRA. As 36 of the 45 Members of the Council are in receipt of an SRA, the 50% rule should not apply.

One Allowance Only

9. Nearly $\frac{3}{4}$ of Districts & Boroughs in the South East operate a one SRA per Member Rule. R&BBC do not. However, only the Leader and Chair of the Overview and Scrutiny Committee get a second allowance as leaders of their political groups. The Chair of Overview and Scrutiny is usually the Chair of Budget Scrutiny Panel, and also receives an SRA.

Renunciation

10. Any Member may, on notifying the Head of Paid Service, may renounce all or part of any allowance to which they are entitled.

Future Reviews

11. Having recommended that a full review of Members' Allowances be carried every four years. The Panel will be considering the following issues during future reviews:

Calendar Year:	Comments/considerations:
2021	Seek representations from Group Leaders and others to ask for feedback on the current Scheme of Allowances, and report to Council on or before December 2021 on proposals for 2022/23
2022	To complete a review of the Town and Parish Council allowance scheme Seek representations from Group Leaders and others to ask for feedback on the current Scheme of Allowances. Uplift Allowances in line with any increases in the CPI.
2023	To conduct a progress review on the current scheme To consider comparative data from other local authorities. Seek representations from Group Leaders and others to ask for feedback on the current Scheme of Allowances. Uplift Allowances in line with any increases in the CPI.
2024	To complete a full review of the Scheme of Allowances, including member survey, face-to-face interviews. Aim to report to Council in December 2024, with a view to adopting new allowance scheme from April 2025.

Acknowledgements

12. The Panel is grateful for the support and co-operation received from Group Leaders and for the assistance of the Authorities' Officers, particularly Alex Berry and Liane Dell.

Appendix 1

Members of the Independent Remuneration Panel

The Panel Members are:

- Farah Stehrenberger – is the only remaining member of the previous panel. She is a Barrister by profession. She is also a Trustee and Volunteer at Renew Hope a local charity for the homeless. She was also presented with a Mayor's Volunteers Award in 2019.
- Robert Coyle - Robert is a chartered accountant. About half his career has been in practice where he held senior roles at PwC and KPMG. He also held CEO roles in industry working in the world of outsourcing. More recently he has been developing a portfolio career: he is now INED on several companies - taking both commercial and pro bono roles.
- John Thompson MBE – has worked in the public, private and charity sectors. Has been on IRPs and an Independent Person for various Authorities since 2001. He is the Lay Member of the West Sussex Safeguarding Children Partnership and Chair of their Case Review Group. He is a School Governor and a past Lead Governor of Western Sussex Hospitals NHS Foundation Trust.

None has any connection with the Authority, or anyone employed by it.

Appendix 2

Methodology

The Panel considered the outcome of a member questionnaire on the Scheme of Allowances in December 2019 in which 32 Councillors (71%) responded and the other detailed work undertaken in support of our predecessor's 20th Report. This information was helpful and was used as a significant element of the evidence upon which the Panel has based its report and recommendations.

The Panel met and/or corresponded with the following Members and Officers to explore any issues regarding Allowances:

- Councillor Mark Brunt, Leader of the Council and Group Leader of the Conservative Group
- Councillor Nick Harrison, Chair of the Overview and Scrutiny Committee and Leader of the Residents' Association Group
- Councillor Jonathan Essex, Leader of the Green Group
- Councillor Steve Kulka, Leader of the Liberal Democrat Group
- Mari Roberts-Wood, Interim Head of Paid Service
- Caroline Waterworth, Director of Commercial and Investment and Monitoring Officer
- Pat Main, Interim Head of Finance
- Ben Bix, Governance & Democratic Services Manager

The Panel also met with Mark Palmer, Development Director at South East Employers, who chairs and supports several Independent Remuneration Panels in respect of members' allowances across the South East of England.

The Panel was additionally provided with the following information for consideration:

- Committee list detailing the members of each committee.
- Members Role Profiles (job descriptions)
- The Municipal Calendar
- Copies of previous Independent Remuneration Panel Report
- Extracts of Full Council Minutes
- Schedules of Payments to Members
- South East Employers' Survey of Allowances Paid to Members
- Committee Agendas and Minutes

Appendix 3

Terms of Reference

The Independent Remuneration Panel's Terms of Reference are to consider and review:

- the nature and type of role and responsibility of Elected Members and the level of commitment involved.
- the difference in responsibility and time commitment of Leading Members; Portfolio Holders and back-bench Members and the Mayor and Deputy Mayor of the Council and other Members with specific responsibilities
- schemes operating in similar authorities elsewhere.
- the level of remuneration paid for other types of public duties.
- whether allowances should be payable to meet Members out of pocket expenses
- the need to attract and retain Members of appropriate calibre and representative of the demographic make-up of the District.
- the need to ensure that the scheme is straight-forward; economic to operate and justified in terms of affordability (in the public's perception) and working within existing budgetary constraints.
- a scheme that aims to compensate for the time put into the roles and responsibilities undertaken – bearing in mind that there should be an element of public service.
- a scheme that encourages Councillors to work flexibly and to develop themselves and their role in the community.

General Principles

- The Panel consider the Consumer Price Index (CPI) to be the most appropriate benchmark. This is the rate at which the prices of goods and services bought by households, excluding housing, rise or fall and is estimated by using price indices. The data is obtained from the Office for National Statistics
- The Panel advocate that Members' Allowances should be based on an external benchmark, as this ensures Allowances are maintained at a level appropriate to the wider economic landscape. The consistent use of one external benchmark also allows for decisions to be removed from the political arena and local pressures.
- The Panel reflected on the importance of the role of elected members and the importance of clarity in identifying and setting out these roles. This was considered particularly about ensuring that potential future Councillors were able to access information on the requirements of the role, and in ensuring that the Scheme of Allowance is consistent with the expectations of these roles.
- Recruitment and Retention of Members has always been recognised as an important part of the Panel's consideration. The introduction of the current national Scheme of Allowances in 2000 was driven by the need to make engagement in local governance more widely accessible.
- Voluntary Service Element is a reduction in the Basic Allowance paid to all members to reflect that part of a Councillors work should be voluntary and not remunerated. There is no statutory requirement to show a discount and only a third of Authorities covered by the South East Employers do so. It is important that some element of the work of members continues to be voluntary - that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.

Appendix 4

Commentary on Changes

Basic Allowance

The Panel sought the views of Group Leaders and Senior Officers on whether and if so how to index Members Allowances. All were keen to have index linked annual uplift in Allowances. The Authority uses CPI in its negotiations for Officer Pay increases and the Panel felt that was the fairest way to proceed for Allowances. The Panel also considered budgetary constraints affecting the Authority (especially bearing in mind the impact of Covid 19) and rates paid by similar authorities in the South East.

As a final test and in line with South East Employers recommended practice the Panel can confirm that the current Basic Allowance is close to the sum of hours spent on all Members' Council work, times the National Living Wage less a 40% Voluntary Service Element.

Special Responsibility Allowances

The Panel did not undertake a detailed review of all the posts attracting a Special Responsibility Allowances. The Panel decided that the CPI index linked increase applied to the Basic Allowance should apply to all SRAs. However, they sought the views of Group Leaders and Senior Officers about areas of concern and checked to ensure that SRAs were broadly comparable to those paid in Districts and Boroughs in the South East. The Panel chose to move away from comparison just with Surrey to base their views on a larger sample. Two areas were identified for more detailed consideration:

1. Overview and Scrutiny Committee (OSC)

An SRA should be paid to the Vice Chair and to Members of the OSC. Very few authorities pay an SRA to Members of their OSCs. However, 25 out of 65 do pay an SRA to their OSC Vice Chairs. We looked also at a comparison of the workloads of the Planning Committee and OSC. There were more Planning meetings and they lasted much longer. The Panel concluded that the Vice Chair of OSC should receive an allowance of 30% of the Chair of OSCs SRA amounting to £957.

2. Mayoralty

At present the Mayor receives an SRA as Chair of the Council and another SRA as Mayor. The latter is primarily to cover the not insignificant costs of being Mayor. The Mayor's Allowance were looked at in the 14th Report from our predecessors. In their report they identified the types of incurred by the Mayor in post that should be met by the Authority. The two SRAs combined amount to £15,854. This is the highest of all Districts and Boroughs in the South East: the Leader expressed some concern about this. The Panel's opinion is that the *expenses* of being Mayor should not be part of an SRA. They should be managed outside the Members' Allowances Scheme by the Mayor's Office. Also, the Panel's view is that the Chair of Council SRA and the SRA paid to the Mayor for the important responsibility of representing the Council in the Borough and beyond should be combined into one SRA of £5,700 which would put the SRA at the top of the second quartile of SRAs paid to Mayors. The Deputy Mayor's SRA should also be managed by the Mayor's Office.

Dependent Carers' Allowances

As in most Authorities there are very few claims for any of these allowances. The availability of allowances for dependants is an important part of widening accessibility to local democracy. The Panel believe that besides the existence of a maximum amount that may be claimed, setting rates per hours would make clearer what support is available.

Maternity, Paternity and Adoption Leave

Most Authorities make provision for Members taking leave of absence for Maternity, Paternity and Adoption. It is recommended by South East Employers and has the support of Group Leaders. It also meets the Authorities statutory obligations.

Four Year Cycle of Reviews of Members' Allowances

Most Authorities carry out a full review of Member's Allowances every four years. This is also recommended by South East Employers and would save the Authority money in not having to administer a full review annually and save Members having to repeat the completion of questionnaires and interviews so often. Any aspect of the scheme needing revision in the intervening years can be reviewed by the Panel. Also, the Panel would take advice from Group Leaders and others on the need for any changes to the Scheme including any changes to Allowances flowing from changes in CPI.

Approved Duties

There was no change in the list of approved duties for which Members may claim expenses.

Appendix 5

Cost of Recommendations

The table sets out the impact of the recommendations proposed by the Panel. The Changes proposed for Mayoralty SRAs have not been included as the proposed reduction in the SRA would be amount to a transfer to another budget.

R&BBC - Members' Allowance 2021 Review - Cost of Changes								
Allowance/ SRA	No	2020	2021	2020 Cost		2021 Cost		Change
Basic Allowance	45	5670	5721	255150		257446		2296
Leaders of Political Groups	4	147	148	588		593		5
The Leader	1	14151	14278	14151		14278		127
Deputy Leader	1	11557	11661	11557		11661		104
Portfolio Holder	8	9434	9519	75472		76151		679
Chair of Council	1	2667	0	2667		0		-2667
Chair of Planning	1	5442	5491	5442		5491		49
Chair of Overview and Scrutiny	1	3162	3190	3162		3190		28
Chair of Audit	1	3162	3190	3162		3190		28
Chair of Budget Review Scrutiny Panel	1	441	445	441		445		4
Chair of Licensing	1	441	445	441		445		4
Chair of Licensing Sub-Committee	1	308	311	308		311		3
Members of the Planning Committee	14	804	811	11256		11357		101
Mayoral SRA	1	13187	5700	13187		5700		-7487
Deputy Mayor	1	2724		2724		0		-2724
Vice-Chair of the Overview & Scrutiny Committee	1		957	0		957		957
			Total cost	399708	0	391217	0	-8493
			Costs increase without Mayoralty		% inc	1.10%		4387