

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

March 2022

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 7 recommendations covering a range of issues, including:
 - Continuing a 4-year cycle of full reviews of the members allowances scheme. This therefore is a light touch review.
 - Other than referred to below no changes are proposed to the scheme,
 - In 2021 the Council voted to forego the recommended increases (0.9%) on the grounds that at a time when many people were suffering financial and other hardships due to the pandemic it was inappropriate to award themselves any increase.
 - This year the Panel started at the current rate of CPI, the performance of the Authority against the Corporate Plan and against key service delivery indicators and the impact on budgets and provision of frontline services.
 - The revised Scheme becomes effective from the 1st of April 2022,
 - The programme of work for the Panel over the next four 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. With sharp rise in the Consumer Price Index 4.9% In January 2022 a similar increase in the Wages Index the Panel have decided following discussions with Group Leaders and Senior Officers move away from benchmark for this year only.
5. The Panel therefore recommends uplifts to the Allowances as detailed in the recommendations in the table below. Taking all these factors into account the Panel have concluded that an increase of 2% in the Basic Allowance and no increase in Special Responsibility Allowances The rationale behind our

recommendation is set out in Appendix 4. The panel is aware that this recommendation follows the Council decision to forego the increases recommended last year.

Effective Date for Changes

6. The Panel recommend that the effective date for change to the Basic Allowance be 1 April 2022.
7. The Panel's recommendation for each allowance paid are as follows:

Basic Allowance	
Recommendation 1:	The Basic Allowance be increased from £5,670 to £5,783
Special Responsibility Allowances (SRAs)	
Recommendation 2:	Special Responsibility Allowances remain unchanged.
Travelling Expense	
Recommendation 3:	Travel Allowances remain unchanged. The Panel did not undertake a review of these expenses.
Subsistence	
Recommendation 4:	Subsistence Allowances remain unchanged. The Panel did not undertake a review of these expenses.
Dependents' Carers' Allowance	
Recommendation 5:	Dependent Carers' Allowances remain unchanged. The Panel did not undertake a review of these expenses.
Maternity, Paternity and Adoption Leave	
Recommendation 6:	Arrangements for Maternity, Paternity and Adoption Leave remain unchanged. The Panel did not undertake a review of these expenses.
Recommendation 7;	That that a full review of Members' Allowances be undertaken in accordance with the programme set out at Paragraph 12 below.

Budget Impact

8. The net cost of these changes is £5,103 for the Basic Allowance increase. Although there is no budget provision for the proposed increase, Officers have confirmed that the additional cost can be met from within the existing budget allocation.

50% Rule

9. Some Authorities have a rule whereby no more than 50% of Members may receive an SRA. As 36 (80%) of the 45 Members of the Council are in receipt of an SRA, the 50% rule should not apply.

One Allowance Only

10. Nearly 75% 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 receives an additional SRA.

Renunciation

11. 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

12. 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:	Panel's Work Plan:
2022	Seek representations from Group Leaders and others to ask for feedback on the current Scheme of Allowances. Uplift Allowances to take account of increases in the CPI.
2023 Starting in July 2022 to meet the timelines for setting the Council's budget	To conduct a full review of the current scheme, including a survey of Members 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. To complete a review of the Town and Parish Council allowance scheme Uplift Allowances to take account of 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.
2025	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 2025 on proposals for 2026-27.

Acknowledgements

13. The Panel is grateful for the support and co-operation received from Group Leaders senior Officers and for the assistance of Alex Vine and Liane Dell.

Appendix 1

Members of the Independent Remuneration Panel

The Panel Members are:

- Farah Stehrenberger – Farah 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 NED on several companies - taking both commercial and pro bono roles. He is an Independent Person on the Standards Committee of the City of London Corporation and an independent Member of the Audit Committee of this Authority.
- 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. He is a School Governor and a past Lead Governor of Western Sussex Hospitals NHS Foundation Trust. He is a service user representative in the Chichester University School of Nursing and Allied Health and a Director of Arun Arts which runs the Alexandra Theatre complex in Bognor Regis.

Only Robert Coyle has a connection with the Authority as described above.

Appendix 2

Methodology

The Panel considered the outcomes of previous Panel 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, Head of Paid Service
- Pat Main, Interim Head of Finance
- Alex Vine, Democratic and Electoral Services Manager

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
- Southeast Employers' Survey of Allowances Paid to Members
- Committee Agendas and Minutes
- The R&BBC Five Year Corporate Plan
- Recent Quarterly Reports against the Plan
- Key Service Performance Indicators

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 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 Southeast 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

The Panel conducted a “light touch” review in accordance with agreed four-year plan of work. As mentioned above Members forwent the proposed increase in allowance recommended in our 21st Report. For some years Members have been in favour of using the CPI in January as the basis for increasing allowances. The CPI in January 2022 was 4.9% and for Wages 4.8% - clearly far above what would be acceptable to Members in the current economic climate. Examination of the Authority’s performance indicators over the last year shows a high level of effective performance and achievement. Not least in the field of administering all the additional requirements place on Local Government during the pandemic. Members advised that due to budgetary constraints cuts to front line services may be necessary in the future. Although a modest increase in Members’ Allowance could be accommodated.

Three factors were brought to the Panels attention:

- a. Whilst the budget for 2022-23 did not cut front line services, it has reduced some grants and trimmed back in other areas.
- b. For most people standing for election (or stepping down as Members), the allowance was not a significant factor. However, for some Members – elected and potential the basic allowance mitigated reduced earning
- c. The Basic Allowance which is paid to all Members should be increased by a larger amount than Special Responsibility Allowances.

In discussions with Members, the panel explored the possibility of a link between Members’ Allowances and the Authority’s performance. While superficially attractive, the panel was advised that deliver of Council services was largely out with the control of Members. Members are responsibility was to make strategic choices and set the direction of Authority.

The Panel acknowledges that for most Members the amount of allowance paid is not a major factor in them standing for election and being a member. However, allowances and especially the basic allowance should be maintained at a level that attracts younger and a more diverse groups to engage in the local community and stand as Councillors.

The Panel is carrying a full review of the Scheme of Members’ Allowances next year and will address the need to maintain the Basic Allowance at a level that attracts interest in local democracy from the wider community and that Special Responsibility Allowances are set an appropriate level.