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To	Council
Date	Thursday 9 February 2023
Executive Member	Leader of the Council

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Report of the Independent Remuneration Panel on Members Allowances for 2023/24 and the Report of Parish Remuneration Panel.
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Recommendations – Members Allowances for Reigate and Banstead Borough Council by the Independent Remuneration Panel (IRP), Annex 1	
<ol style="list-style-type: none"> 1. That Recommendations 1 to 9, listed on pages 4 and 5 of the Independent Remuneration Panel report be adopted (Annex 1). 2. That the Managing Director be authorised to make any necessary changes to the Members’ Allowance Scheme for 2023/24 (approved under Recommendation 1 above) arising from any amendment or non-adoption of the IRP’s recommendations. 3. That the effective date of any changes for all allowances, is 1st April 2023. 4. That the IRP be thanked for its report. 	
Recommendations – Members Allowances for Horley Town Council and Salfords and Sidlow Parish Council by the Parish Remuneration Panel (PRP), Annex 2	
<ol style="list-style-type: none"> 5. The Panel recommends that the Members’ allowances schemes operated by Horley Town Council and Salfords and Sidlow Parish Council remain unchanged (Annex 2). 6. That the PRP be thanked for its report. 	

Reasons for Recommendations

7. The recommendations of the IRP are considered to support the objectives for the Council's Members Allowances Scheme of allowing people to become an elected Member without risk of undue financial hardship, and of allowing existing councillors to fulfil their role to the best of their ability.
8. Under the Regulations and the Local Government Act 1972 the same Independent Remuneration Panel may consider the remuneration schemes for Parish and Town Councils.

Executive Summary

This report sets out proposals on the Members Allowances Scheme for 2023/24 following a review by the Council's Independent Remuneration Panel.

- The IRP's report contains 9 recommendations for Council to consider, as detailed on page 4 and 5 of their report. Page 4 of this covering report sets out the budgetary implications for 2023/24 of the recommendations. The IRP recommend that adopted changes apply from 1 April 2023.
- The PRP recommended no changes to the Horley Town Council or Salfords and Sidlow Parish Council schemes.

Council has authority to approve the above recommendations.

Statutory Powers

1. In accordance with the Local Government Act 2000 and guidance from the government, the Council is required to have a Members Allowances Scheme recommended by its Independent Remuneration Panel (IRP). The IRP has undertaken a review of the Authority's Members' Allowances and its report is attached at Annex 1.
2. Under the Regulations and the Local Government Act 1972 the same Independent Remuneration Panel may consider the remuneration schemes for Parish and Town Councils. Town Councils may choose to pay their Members an allowance, known as a "Basic Allowance", to recognise the time and effort they put into their Town Council duties.
3. There is no obligation on Town Councils to pay such allowances. Each Town Council may make an allowance available to its chair only, or to each of its Members. The 2003 Regulations also provide for the payment of travel and subsistence allowances (for approved duties). The PRP has undertaken a review of Horley Town Council and Salfords and Sidlow Parish Council Allowances and its report is attached at Annex 2.
4. The IRP and PRP report has undergone initial consideration by the Council's Management Team and Group Leaders and is now before the Council to consider.
5. The authority for determining the Scheme of Members' Allowances is reserved to the full Council.

Key Information

9. This report to the Council comprises of the following:

- i. This covering report.
- ii. Annex 1 – Report of the IRP; and,
- iii. Annex 2 – Report of the PRP.

Report of the IRP (Reigate and Banstead Borough Council Members' Allowances Scheme) at Annex 1 to this covering report.

10. The IRP's report, at Annex 1 to this covering report, comprises of the following:

- i. Appendix 1 – A profile of the Members of the IRP.
- ii. Appendix 2 – Terms of reference of the IRP.
- iii. Appendix 3 – Methodology, detailing the general principles of the review, interviews conducted, and evidence considered.
- iv. Appendix 4 – Commentary on changes, detailing the IRP's rationale.
- v. Appendix 5 – Evaluation of Member survey, drop-in session and South East Employers data.
- vi. Appendix 6 – Results of the Member survey conducted in September 2022.

11. The Report of the IRP at Annex 1 contains 9 recommendations on pages four and five. These relate to the following matters:

- i. **The Basic Allowance be increased from £5,783 to £6,072 (5%).**

"The Panel believes that during this period of rapidly rising costs the Basic Allowance should be increased. The consensus was in favour of taking CPI into account, but not at the current level. We therefore propose a figure of no more than 5%. The Council is the sixth lowest in Surrey in terms of cost per member of the population." – Appendix 4, paragraph (i).

- ii. **Special Responsibility Allowances (SRAs) remain unchanged, except for the Leader's.**

"On Special Responsibility Allowances only 12 SRA holders responded. A very small number said they should all be reduced or removed. The majority of respondents said they covered costs. Two notable exceptions were the Leader's SRA and SRA for the Mayor in the role as Chairperson of the Council: the Mayor can claim expenses, etc from a separate Mayoralty budget. Although only half the respondents thought the SRAs fairly reflected the responsibilities and workload." – Appendix 5, paragraph (ii).

- iii. **The Special Responsibility Allowance paid to the Leader of the Council be increased from £14,151 to £14,800 (4.6%).**

"There was some support for an increase in the Leader's SRA. The allowance paid to the Leader (£14,151) is one of the lowest in the Southeast (41 out of 56). This SRA should be set at a reasonable level so that good candidates are attracted to applying when elections take place."

We propose an increase to £14,800. This is still below the average SRA paid to Leaders in the Southeast and one of the lowest by District population paid in Surrey. – Appendix 4, paragraph (ii).

iv. No Special Responsibility Allowance be paid to the Deputy Chairman of Planning.

“There was support from some Members for an SRA to be paid to the Deputy Chairman of Planning. We could find little evidence of the Deputy exercising more responsibility than Member of the Planning Committee who are in receipt of an SRA.” – Appendix 4, paragraph (iii).

v. Travel Allowances remain unchanged.

“A significant amount of time in meetings with Members was taken up with discussion of cost-of-living issues. Mileage Allowances (set at the maximum HMRC rates) generated the most debate. Officers are paid at the same rate as Members. Any amount over 45 pence attracts a tax liability for a Benefit in Kind to Members and the Council must pay Employers’ National Insurance on the Benefit in Kind.” – Appendix 4, paragraph (iv).

vi. Subsistence Allowances remain unchanged.

vii. Dependent Carers’ Allowances be increased from £12 an hour to £15 an hour.

“The ability to claim Child and Dependent Carers’ Allowances has a potentially significant impact on the ability of people to stand for election who might not otherwise be able to. The current hourly rate is too low and should be increased to £15.00. The cost to the Council is quite low as there are few claimants. In this regard, we note that the Council has a poor gender balance. As caring still tends to be dominated by females, we feel this is an area where more could be done to promote a more gender-balanced Council.” – Appendix 4, paragraph (v).

“The proposed increase to the Dependent Carers’ Allowance is not expected to impact the budget, as the number of Members claiming this allowance is very small and payments are capped at £3,000 per annum.” – Page 5, paragraph 9 of the IRP’s report.

viii. Arrangements for Maternity, Paternity and Adoption Leave remain unchanged.

“All authorities pay travel and subsistence (the majority pay the HMRC maximum of 45p a mile) and run schemes that allow claims for childcare and maternity, paternity and adoption. Most deal with these claims on a case-by-case basis.” – Appendix 5, paragraph (iv).

ix. That the Scheme of Allowances be reviewed in 12 months’ time.

“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:
2023	<i>To complete a light touch review of the Scheme. Report to Council in December 2023, with a view to adopting an updated Scheme from April 2024.</i>

- Page 7, paragraph 13 of the IRP's report.

Report of the PRP (Parish and Town Council allowances schemes) at Annex 2 to this covering report.

12. The Panel recommends that the Members' allowances schemes operated by Horley Town Council and Salfords and Sidlow Parish Council remain unchanged, on the basis that:

- i. *"Only one Member claimed the Basic Allowance at Salfords and Sidlow Parish Council, and few claimed for travel. Horley Town Council introduced their scheme in 2013 and it was re-adopted in 2019. Members had all agreed to opt out of the scheme, but they were welcome to opt in." – Annex 2, paragraph 11.*
- ii. *"Both Councils had a good mix of ages and allowances were not felt to be a significant factor in people standing for election. Members generally chose not to take the allowance as there was a lot of administration for little return." – Annex 2, paragraph 12.*
- iii. *"In terms of workload, it was stated that all Members did an equal amount of work and therefore special responsibility allowances were not considered appropriate." – Annex 2, paragraph 13.*
- iv. *"There was no appetite for changes and beyond suggesting the Council make claiming for travel and subsistence easier, the panel makes no recommendations to change either of the two schemes." – Annex 2, paragraph 14.*

Members' Allowances Scheme for 2023/24

13. Should Council agree to adopt or amend the IRP recommendations, then the Members Allowances Scheme will need to be updated. Delegation on this matter to the Managing Director is proposed (Recommendation 2 of this report).

14. Should Council agree to adopt, or amend and adopt, the PRP recommendation, then the Members Allowances Scheme will need to be amended. Delegation on this matter would fall to Clerks of both the Town and Parish Council.

Legal Implications

6. The Local Government Act 2000 requires each local authority to establish and maintain an Independent Remuneration Panel for the purpose of considering a scheme for the payment of Members' Allowances.

Financial Implications

7. The budget for Member Allowances in 2022/23 is £415,800, comprising £397,520 for Member Allowances and £18,280 for other costs (e.g. travel and subsistence expenses claims).
8. Approval of the Panel's recommendations will result in a budget growth requirement of £13,654.
9. The revised budget for Member Allowances (excluding travel and subsistence) will comprise:

	£
Basic Allowance	273,240
Special Responsibility Allowance paid to the Leader of the Council	14,800
Other Special Responsibility Allowances (unchanged)	117,430
Chair of the Council Allowance (unchanged)	5,700
Total Cost	411,170

10. The budget includes provision for travel and subsistence costs and ancillary expenses. These historically been claimed at a relatively low rate and are not expected to increase in 2023/24. If such claims exceed projections, this may lead to a low level of overspend, which can be accommodated within other approved budgets.
11. It should be noted that the cost of the Members' Allowance scheme cannot be forecast with complete certainty because some Members choose not to claim allowances to which they are entitled.
12. There are no financial implications for either Horley Town Council or Salfords and Sidlow Parish Council, as no changes are recommended to those allowance schemes.

Equalities Implications

13. The Council is asked to have regard to their duties under the Equality Act 2010. This requires the Council to have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - Foster good relations between people who share a protected characteristic and those who do not.
14. The Panel considered these duties in relation to the nine protected characteristics (age; disability; gender reassignment; marriage/civil partnership status; pregnancy and maternity; race; religion; sex; and sexual orientation).
15. During the review, it was highlighted that the role of a Councillor was not a salaried one. However, the payment of allowances is generally expected to allow and encourage people from the widest possible range of backgrounds to serve as

councillors. The Panel considered how their recommendations to the Scheme would enable all persons to be able to serve as a Councillor.

Communication Implications

16. The Local Authorities' (Members' Allowances) (Miscellaneous Provisions) Regulations place certain duties on local authorities in connection with publicising the recommendations made by their Independent Remuneration Panel, their scheme of allowances and the actual allowances paid to Members in any given year.
17. The Regulations require that as soon as reasonably practicable after receiving a report, setting out the IRP's recommendations, local authorities must ensure copies of the report are available for inspection at their principal office. Local authorities must also publish a notice giving details of the availability of the report and the Panel's recommendations. Local authorities are also required to repeat this process as soon as reasonably practicable after determining a scheme of allowances.
18. The Guidance states that all of these publicity requirements are statutory minimum requirements, and that local authorities should publicise more widely the report from their Panel, their scheme of allowances and the sums paid to each Member.

Environmental Sustainability Implications

19. There are no direct environmental sustainability implications arising from this report.

Risk Management Considerations

20. The determination of allowances is a sensitive subject both from the perspective of Councillors themselves and the public who elect them. In view of this it is important that any scheme adopted is objectively reasonable and based upon a logical and fair mechanism.

Consultation

21. Appendix 3 (Methodology) of the IRP Report details the consultation methodology by the IRP in the forming of its recommendations. This included:
 - i. A Member survey conducted in September 2022.
 - ii. An all-Member drop-in consultation with the IRP in September 2022.
 - iii. Interviews of Group Leaders and senior officers in October 2022.
22. The PRP report (page 1) details those that were consulted to form the recommendation, including a meeting with Horley Town Council and Salfords and Sidlow Parish Council in September 2022.