

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

January 2023

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## 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 to Members under its Scheme of Allowances, hereafter referred to in this report as "the Scheme". 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 (IRP)

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 year the Panel carried out a full review of the Scheme. This included a survey of Members and a drop-in session for Members. The results of the Survey are at Appendix 6. The remit of the IRP also included a review of the Schemes for Members of Horley Town Council and Salfords and Sidlow Parish Council, which is detailed in a separate report of the 'Parish Remuneration Panel' (PRP). Reference was also made to comparisons with other Surrey and South East authorities. A summary of the outcomes of these activities is at Appendix 5. As in previous reviews and Group Leaders and Senior Officers were interviewed. A timeline of future reviews is provided under paragraph 13.
4. This report contains 9 recommendations, which are set out on page 4. In arriving at these, the Panel considered a range of issues including:
  - i. With rising energy costs and other costs of living increases, the Council is faced with greater challenges in setting a balanced budget for 2023-24 and beyond.
  - ii. In 2021/22, the Council voted to forego the recommended increases on the grounds that, at a time when many people were suffering financial and other hardships due to the impacts of the COVID pandemic, it was inappropriate to award themselves any increase. For 2022/23, the Council agreed to an increase of 2% in the Basic Allowance.
  - iii. In an era of budgetary pressure, we would understand the desire by elected Members to constrain their allowances and indeed this is laudable. We note that recent recommendations by the Panel have not always been adopted. The Panel accepts that its role is to make recommendations and it is for the Members to decide how to act, or not, on those.
  - iv. The Panel believes that access to democracy is an important objective - while people should not take on public office to make money, good candidates should not be put off standing by financial pressure - if they are those who can stand for election come increasingly from unrepresentative groups. As an example, the Panel notes a poor gender balance on the Council. With this in

mind, the Panel asks Members to remember that even if increased, allowances can be individually disavowed.

- v. The results of the consultation exercise provided no clear direction on areas for change. There was no appetite for significant increases – certainly not in line with the Consumer Price Index (CPI) (8.8% in September 2022)<sup>1</sup>.
- vi. There is no appetite at the Council for linking increases in allowances to Officer pay, as a salary is considered to be fundamentally different from an allowance, which is intended to cover incidental expenses. Taking into account the views of senior Members and officers detailed in paragraph (v) above, the consensus of the Panel is that an increase in the Basic Allowance of a maximum of 5% would fairly reflect the forgone increases in past years whilst maintaining budgetary restraint during a period of ongoing high inflation and financial and economic pressure.
- vii. There was some support for:
  - o an increase in the Leader’s Special Responsibility Allowance (SRA).
  - o an SRA to be paid to the Deputy Chairman of Planning.
- viii. On other allowances there was some debate around the mileage allowances which are set at the maximum HMRC rates.
- ix. There was wide acknowledgement for an increase in the Child and Dependent Carers Allowance.
- x. The revised Scheme will become effective from the 1<sup>st</sup> of April 2023,
- xi. Continuing a four-year cycle of full reviews of the Members’ allowances scheme providing the programme of work for the Panel over the next four years

## Recommendations

5. The Panel considered the Scheme in line with the Terms of Reference laid out in Appendix 2 and the Methodology and general principles in Appendix 3. There has been a sharp rise in CPI (8.8% in September 2022)<sup>1</sup>, and a similar increase in the Wages Index. However, following discussions with Group Leaders and Senior Officers, the Panel has decided that increasing allowances in line with CPI at a time of high inflation and financial and economic pressure would not be supported..
6. 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 has concluded that an increase of 5% in the Basic Allowance; no increase in Special Responsibility Allowances, except the Leader and an increase in the Dependant Carers’ Allowance are appropriate. The rationale behind our recommendations is set out in Appendix 4. The Panel is aware that these recommendations follow the Council’s decision in April 2022 to take a reduced increase to the 2022/23 allowances scheme.

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<sup>1</sup> [Consumer price inflation, UK: September 2022](#) (published by the Office for National Statistics on 19 October 2022)

7. The Panel's recommendation for each allowance paid are as follows:

<b>Basic Allowance</b>	
<b>Recommendation 1:</b>	<b>The Basic Allowance be increased from £5,783 to £6,072 (5%).</b>
<b>Special Responsibility Allowances (SRAs)</b>	
<b>Recommendation 2:</b>	<b>Special Responsibility Allowances remain unchanged, except for the Leader's.</b>
<b>Recommendation 3:</b>	<b>The Special Responsibility Allowance paid to the Leader of the Council be increased from £14,151 to £14,800 (4.6%).</b>
<b>Recommendation 4:</b>	<b>No Special Responsibility Allowance be paid to the Deputy Chairman of Planning.</b>
<b>Travelling Expense</b>	
<b>Recommendation 5:</b>	<b>Travel Allowances remain unchanged.</b>
<b>Subsistence</b>	
<b>Recommendation 6:</b>	<b>Subsistence Allowances remain unchanged.</b>
<b>Dependents' Carers' Allowance</b>	
<b>Recommendation 7:</b>	<b>Dependent Carers' Allowances be increased from £12 an hour to £15 an hour.</b>
<b>Maternity, Paternity and Adoption Leave</b>	
<b>Recommendation 8:</b>	<b>Arrangements for Maternity, Paternity and Adoption Leave remain unchanged.</b>
<b>Review of the Scheme of Allowances</b>	
<b>Recommendation 9:</b>	<b>That the Scheme of Allowances be reviewed in 12 months' time.</b>

## Effective Date for Changes

8. The Panel recommend that the effective date for changes to the Scheme be 1<sup>st</sup> of April 2023.

## Budget Impact

9. The net cost of these changes is £13,654 for both the Basic Allowance and Leader's SRA increases. 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. The recommendations for 2023/24 represent a 3.28% increase to the 2022/23 budget for the Scheme.

## 50% Rule

10. Some Authorities have a rule whereby no more than 50% of Members may receive an SRA. As 33 (73%) of the 45 Members of the Council are in receipt of an SRA, the 50% rule should not apply.

## One Allowance Only

11. Nearly 75% of Districts & Boroughs in the South-East operate a one SRA per Member Rule. This Council does not. 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. A number of Licensing Sub-Committee Chairs are also recipients of other SRAs as either an Executive Member or a Member of the Planning Committee.

### **Renunciation**

12. Any Member may, on notifying the Managing Director, renounce all or part of any allowance to which they are entitled.

## Future Reviews

13. 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:

<b>Calendar Year:</b>	<b>Panel's Work Plan:</b>
2023	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.
2024	Seek representations from Group Leaders and others to ask for feedback on the current Scheme including a short Member survey, and report to Council on or before December 2024 with a view to adopting an updated Scheme from April 2025.
2025	Seek representations from Group Leaders and others to ask for feedback on the current Scheme, and report to Council on or before December 2025 with a view to adopting an updated Scheme from April 2026.
2026	To complete a full review of the Scheme, including Member survey, face-to-face interviews. To include Parishes Aim to report to Council in December 2026, with a view to adopting an updated Scheme from April 2027.

## Acknowledgements

14. The Panel is grateful for the support and co-operation received from Group Leaders, Members and Senior Officers and for the excellent assistance of Alex Vine and Liane Dell in Democratic Services.

## **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 Council.
- 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. He was appointed to the Board of Governors of Chichester University in July 2022 and is a Director of Arun Arts which runs the Alexandra Theatre complex in Bognor Regis.

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



## **Appendix 2 - Terms of Reference**

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

- i.** the nature and type of role and responsibility of Elected Members and the level of commitment involved.
- ii.** 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.
- iii.** schemes operating in similar authorities elsewhere.
- iv.** the level of remuneration paid for other types of public duties.
- v.** whether allowances should be payable to meet Members' out of pocket expenses
- vi.** the need to attract and retain Members of appropriate calibre and representative of the demographic make-up of the district.
- vii.** 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.
- viii.** 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.
- ix.** a scheme that encourages Councillors to work flexibly and to develop themselves and their role in the community.

## **Appendix 3 - 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.

### **General Principles**

- i. The Panel typically 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. However, following discussions with Group Leaders and Senior Officers, the Panel has decided to move away from this benchmark for this year.
- ii. 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.
- iii. 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. With this in mind, the IRP were provided with RBBC's Member role profiles.
- iv. Recruitment of Members has always been recognised as an important part of the Panel's consideration. The introduction of the current national Scheme in 2000 was driven by the need to make engagement in local governance more widely accessible.
- v. Voluntary Service Element is a reduction in the Basic Allowance paid to all Members to reflect that part of a Councillor's 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. In this regard, Reigate and Banstead BC applies a voluntary service element of 40%, which has remained unchanged since 2003/4.

### **Interviews**

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 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, Managing Director
- Pat Main, Chief Finance Officer
- Joyce Hamilton, Monitoring Officer

- Alex Vine, Democratic and Electoral Services Manager

**Information requested**

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 Reports
- Extracts of Full Council Minutes
- Schedules of Payments to Members
- Southeast Employers' Survey of Allowances Paid to Members
- Committee Agendas and Minutes
- The RBBC Five Year Corporate Plan
- Recent Quarterly Reports against the Plan
- Key Service Performance Indicators

## Appendix 4 - Commentary on Changes

- i. There was no real appetite for an increase in the **Basic Allowance**. However, as there had been no increase on 2021 and only a 2% increase in 2022, 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. The revised Scheme becomes effective from the 1<sup>st</sup> of April 2023,
- vii. Continuing a four-year cycle of full reviews of the Scheme providing the programme of work for the Panel over the next four years to ensure a well informed and equitable Scheme.

## **Appendix 5 – Evaluation of Member survey, drop-in session and SEE data**

Summary of feedback from the Survey of Members, the drop-in session, and the South East Employers' data.

### **Survey of Members (see also, Appendix 5)**

Twenty Members completed the survey out of a total of 45. All but one respondent had been elected before May 2022 and there was an equal split between employed and self-employed Members. The main points that the Panel considered are:

- i.** Most respondents felt the Basic Allowance covered costs, although ten thought allowances should be increased and eight frozen at 2022/23 levels.
- ii.** 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.
- iii.** The 20 respondents gave quite detailed accounts of the time spent on various activities associated with being a Councillor. Times varied widely according to whether respondents were Portfolio Holders, on Committees and the amount of Ward and other work undertaken. There were no comments on changes in workload.
- iv.** All respondents had a good knowledge of other financial support available to them, although few had needed to claim.
- v.** On Travel and Subsistence, 17 respondents knew they could claim it and only three had. Costs of living and the HMRC mileage rate limit were mentioned in comments.
- vi.** Almost half the respondents had not claimed allowances to which they were entitled. The reasons were almost exclusively personal.
- vii.** Finally, the time demands had not changed for 11 respondents, but have for eight. The reasons varied from increased public awareness to different working arrangements as a result of the pandemic to increased use of social media. Fourteen respondents knew there would be costs associated with being a Member.

## **Drop-In Session**

Six Members attended the Drop-In session offered by the Panel. The main points were:

- i.** The Basic Allowance was set at a level that was adequate for most Members, but not those who relied on it as a supplement to their income.
- ii.** The Leader's Allowance was too low to be attractive to some future candidates for the role.
- iii.** The Deputy Chair of Planning should get an allowance as they have to be as prepared as the Chair so they can step in at short notice if needed
- iv.** The Childcare allowance was set too low.
- v.** There should be an allowance for site visits – this is included in the SRA paid to Members of the Planning Committee. Travel expenses can be claimed for site visits
- vi.** The increase in the costs of living was having an impact on Members, particular those working from home and the cost of travel.
- vii.** The current IT equipment used by Members is coming the end of its life. The Council are not planning to offer replacements. The Basic Allowance includes an allocation for IT provision.

## **South East Employers' Data**

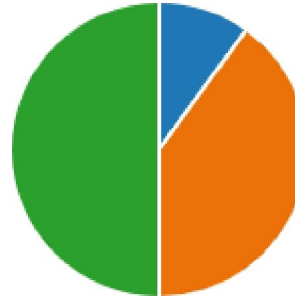
This data set provides some interesting, but limited external comparisons. The only relevant comparisons are:

- i.** Within Surrey, but excluding Mole Valley and Spelthorne which did not submit complete data, RBBC spends £2.61 per member of the population on Members' Allowances (six out of eight Authorities) and £8,749 per member (two out of eight)
- ii.** Looking at the whole of the South-East the rankings of key SRA holders is:
  - Leader 41 out of 56 authorities paying this SRA
  - Deputy Leader 17 out of 54
  - Portfolio Holder 15 out of 49
  - Chair of Planning 30 out 56
  - Chair of Audit 29 out of 54
  - Chair of Licencing 52 out of 56
  - Chair of OSC 42 out of 52.
- iii.** One post the Panel was specifically asked to look at was the Deputy Chair of Planning. Forty out of 56 Authorities pay an SRA for this post.
- iv.** 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 6 - Results of the Survey of Members

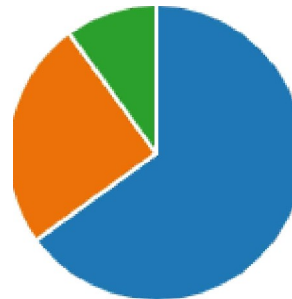
1. Do you consider that allowances should be:

● Reduced	2
● Frozen at 2022/23 levels	8
● Increased	10



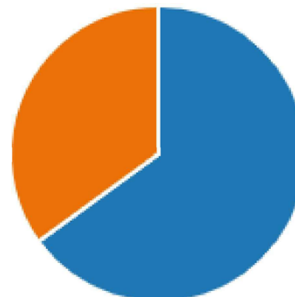
2. Do you consider the current annual basic allowance (£5,783):

● Covers your costs	13
● Does not cover your costs	5
● Significantly exceeds your costs	2



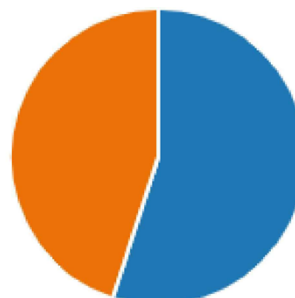
3. Special responsibility allowances: should any allowances be the subject of a review, or should any other positions be considered for an allowance?

● No	13
● Yes	7



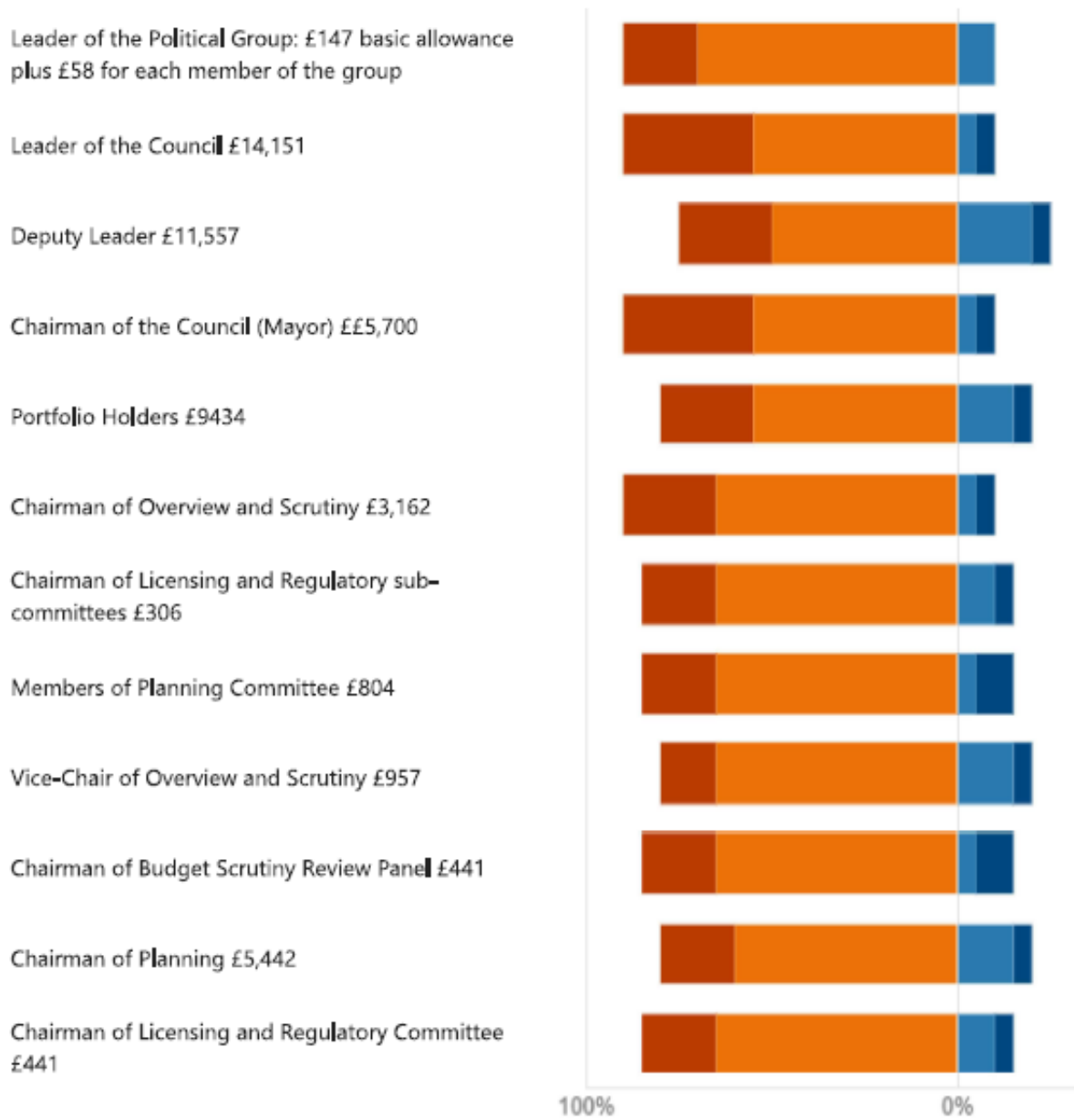
4. Do you think that the special responsibility allowances for these roles fairly reflects the related responsibilities and workload?

● Yes	11
● No	9



5. Indicate to what extent, in your opinion, the following allowances cover the costs of the role, exceed them or if they should be removed.

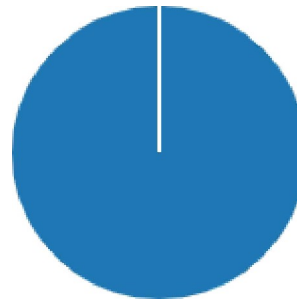
■ Does not cover costs  
 ■ Covers costs  
 ■ Exceeds costs  
 ■ Remove





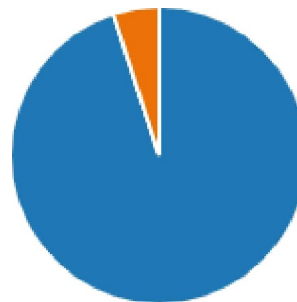
6. Carers' costs

- Were you aware of this? 20
- Have you claimed it? 0



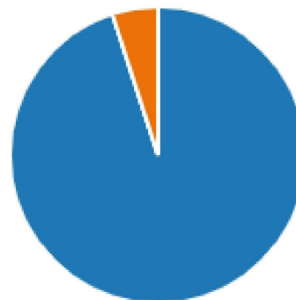
7. Childcare costs

- Were you aware of this? 19
- Have you claimed it? 1



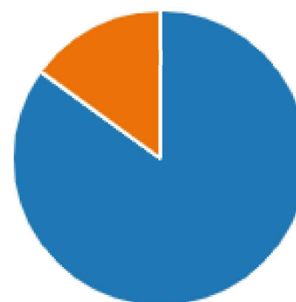
8. Maternity, paternity and adoption pay

- Were you aware of this? 19
- Have you claimed it? 1



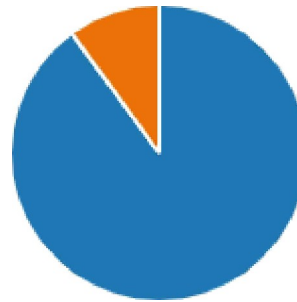
9. Travel and subsistence allowances

- Were you aware of this? 17
- Have you claimed it? 3



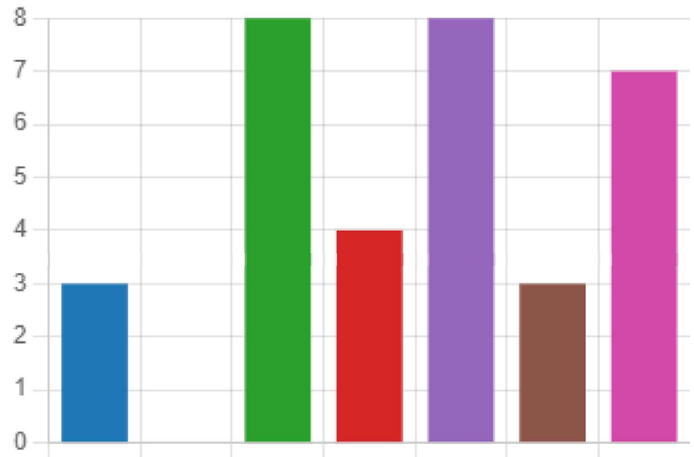
10. Have you used any other allowances not listed above (excluding carer, childcare, maternity/paternity/adoption pay, travel & subsistence)?

- No 18
- Yes 2



11. About you

- I have childcare responsibilities 3
- I am a caregiver 0
- I work full-time 8
- I work part-time 4
- I run my own business 8
- Maternity/paternity/adoption re... 3
- None of these / Prefer not to say 7



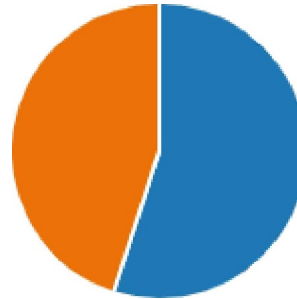
12. Are your day-to-day activities limited because of a long-term health problem, disability or learning difficulty?

- Yes, limited a little 1
- Yes, limited a lot 0
- No 19
- Prefer not to say 0



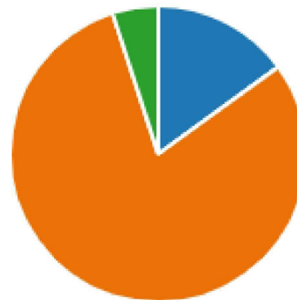
13. If you might have been entitled to an additional allowance/s but decided not to apply, please tell us why.

- I am not entitled 11
- I don't claim it 9



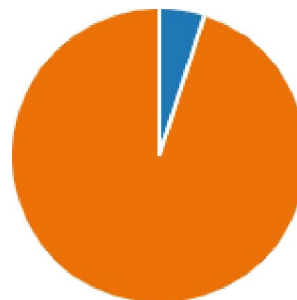
14. Thinking about your aspirations as a Councillor, has the financial cost of being a Councillor or progressing further put you off taking on a new role?

- Yes 3
- No 16
- To some extent 1



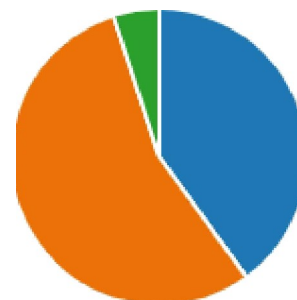
15. Were you newly elected as a Councillor in May 2022?

- Yes 1
- No 19



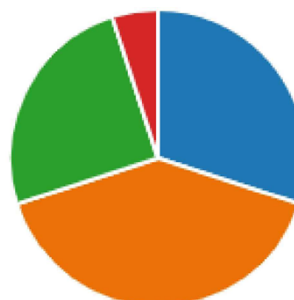
16. Have the demands on your time as a Member changed since May 2022?

- Yes 8
- No 11
- Not sure 1



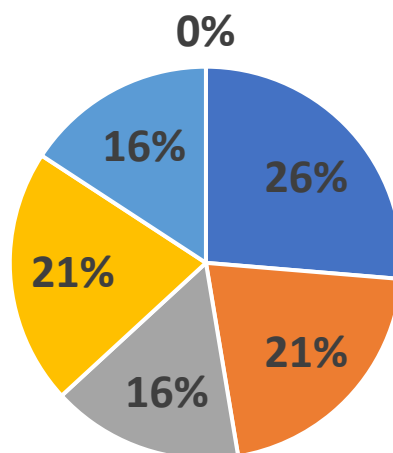
17. Before standing for election, were you aware that you would incur costs as a result of being a Councillor?

- Yes, I was aware but assumed that costs covered
- Yes, I considered it but it was not a factor
- No, I was not aware there would be significant costs
- Other, please explain



18. Your work as a Councillor

Time spent by Cllrs - % time split



- Other briefings and meetings with council officers, residents or other contacts?
- Formal Council meetings
- Events away from the Council's offices
- Other work in the community
- Learning and development
- Other (If you chose other, what does this include?)