

CHANGES TO MAYORAL BUDGET AND MEMBER ALLOWANCES

Head of Service/Contact:	Amardip Healy, Chief Legal Officer
Urgent Decision?(no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annex 1 – Report by Independent Remuneration Panel Annex 2 - Questionnaire on Members' Special Responsibility Allowances and Summary of Responses Annex 3 - IRP'S Recommendations
Other available papers (not attached):	Report to Council 12 th December 2017

Report summary

This report sets proposals for changes to the Mayoral Budget and also the work undertaken by the Independent Remuneration Panel (IRP) and their recommendations in respect of Special Responsibility Allowances.

Recommendation (s)

That Council:

- (1) agrees to increase the Mayoral Budget to £9,627 in 2019/20, with subsequent annual increases linked to CPI inflation;
- (2) notes the report and recommendations of the IRP;
- (3) agrees a Member should receive more than one Special Responsibility Allowance if they qualify for more than one such allowance;
- (4) agrees the Chairman/ Chair of the Standards Committee should receive a Special Responsibility Allowance equivalent to 10% of the Basic Allowance;
- (5) agrees the Chairman of the Majority Group should receive an Special Responsibility Allowance equivalent to 100% of the Basic Allowance;

- (6) **agrees all Vice Chairmen/Chairs (including the Vice Chairman/Chair of the Planning Committee) should receive 50% of what their respective Chairmen receive.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 It is important for Councillors to receive an appropriate level of allowance to assist them support the Council's vision of making Epsom & Ewell an excellent place to live and work.

2 Background

- 2.1 The Mayoral Budget falls outside the members' allowances scheme. Since 2010/11, the Mayoral Budget has remained at £9,401 per annum.

- 2.2 The Council is required, under the Local Authorities (Members' Allowances) (England) Regulations 2003, to establish and maintain an Independent Remuneration Panel (IRP) to review and make recommendations to the Council on the range and levels of remuneration for elected Members. The report of the Panel has been prepared in accordance with those regulations, to enable the Council to meet its statutory responsibilities when reviewing and amending its allowances.

- 2.3 The Council comprises 38 elected Members as follows:

- 32 Residents' Association Members - this Political Group forms the Council's Administration. The Group's Chairman is Councillor Clive Smitheram he is also the Leader of the Council;
- 3 Labour Members - the Group Leader is Councillor Kate Chinn;
- 2 Liberal Democrat Members - the Group Leader is Councillor Julie Morris;
- 1 Conservative Member (The Conservative group cannot be constituted as a Political Group under the Local Government Act 1989 as it comprises fewer than two Members).

- 2.4 Epsom & Ewell's Members' Allowances Scheme (referred to as 'the Scheme') was last reviewed by the Epsom & Ewell Panel in December 2017. The key recommendations were:

- a Basic Allowance for Councillors for 2018/19 of £3,861
- Leaders of a Minority Group receive an SRA of £200 plus £50 per group member providing that there are at least six members in the Group;

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- Leader of the Majority Group receive an SRA of 70% of the Basic allowance;
- The SRA for the Chairman of Nonsuch JMC should be withdrawn;
- The SRA for the Independent Person be replaced with a daily amount of £250; and
- Only one SRA be payable to any Councillor.

2.5 The Council considered the Panel's report on the 12th December 2017 and resolved to:

- Not accept the uplift in Basic Allowance;
- Not accept the Leader of Minority Group SRA amendments;
- Accept the Leader of the Majority Group amendment;
- Accept the withdrawal of SRA for the Chairman of Nonsuch JMC;
- Accept the amendment to the Independent Person's SRA: and
- Accept the limit of one SRA per Councillor.

2.6 Following implementation, a number of anomalies and disparities have been raised. To consider these, a new Independent Remuneration Panel (IRP) was set up in the autumn of 2019. The purpose of part of this report is to consider the recommendations made by the Panel to Special Responsibility Allowances.

3 The Proposals

Mayoral Budget

3.1 The Mayoral Budget has remained at £9,401 per annum since 2010/11. To ensure the budget remains sufficient for the Mayor to fulfil civic responsibilities, it is proposed to increase the budget by inflation each year, using the preceding September CPI figure. For 2019/20, the budget would increase by 2.4% to £9,627, and for 2020/21 by a further 1.7% to £9,790.

IRP recommendations

3.2 The IRP considered the following issues:

- **Receipt of one SRA only.** To consider the current position whereby an individual councillor may only receive one Special Responsibility Allowance (SRA) if they undertake more than one role that would attract an SRA;

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- **Licensing (Hearing) Sub-Committee Members' SRA:** Planning Committee members receive an SRA due to the frequency of meetings and large volume of committee papers requiring considerable preparation. However, Licensing (Hearing) Sub-Committee members, whose sittings can last most of the day and for which the papers can be lengthy, do not receive an SRA;
- **IT provision.** Whether (following the removal of the phone, broadband and computer allowance) the provision of a tablet and a one-off compensatory allowance is sufficient;
- **Standards Committee SRA:** The Standards Committee Chairman/Chair does not receive an SRA;
- **Majority Group Chairman's SRA:** The level of the Majority Group Chairman's SRA, bearing in mind the additional hours, responsibility and wider representative role that attaches to this post;
- **Vice Chairmen/Chairs SRA:** to consider whether or not an SRA should be recommended for Vice Chairmen/Chairs of Policy Committees.

IRP's Considerations

- 3.3 The IRP had their initial meeting on 5th August. They considered that they would like to receive the views of councillors on the various issues and designed a questionnaire. This was despatched to all councillors on 14th August with a deadline for submission of 4th September.
- 3.4 Twenty-five responses were received. The IRP convened a meeting on Mon 9th September to discuss the submissions and invited councillors to attend and submit their views in person. A number of councillors did attend and their views were noted by the Panel.
- 3.5 It was clear from the responses that there was a further issue causing concern, namely whether Vice Chairmen/Chairs should receive an SRA. The Panel therefore asked Chairs and Vice Chairs to submit a diary for a month so that they could consider if an SRA was appropriate and if so, to quantify it.
- 3.6 The Panel considered these diaries at a meeting on 5th December and has now compiled its report and recommendations which can be found at Annex 1. This report sets out the IRP's recommendations on the above matters. The report also comments on issues which fell outside the terms of reference set out in paragraphs 3.2 and 3.4 above, but which were raised by Members in the course of the review.
- 3.7 In light of the evidence received, the Panel concluded that there should be no SRA for members of the Licensing (Hearing) Sub-Committee or one for all members in respect of IT provision.

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- 3.8 The IRP recommendations broadly break down as follows:
- 3.8.1 a Member should receive more than one SRA if they qualify for more than one. Funding all SRAs is within the current and proposed scheme. The cost is dependent on committee allocations and therefore can vary from year to year;
 - 3.8.2 the Chairman of the Standards Committee should receive an SRA equivalent to 10% of the Basic Allowance - this would cost £400 per annum;
 - 3.8.3 the Chairman of the Majority Group should receive an SRA equivalent to 100% of the Basic Allowance - this would cost £1,000;
 - 3.8.4 all Policy Committee Vice Chairmen/Chairs (including the Vice Chairman of the Planning Committee) should receive 50% of what their respective Chairmen/Chair receive.

4. Financial and Manpower Implications

- 4.1 Approving the mayoral budget increase will result in a further annual cost of £226, with future increases linked to CPI inflation.
- 4.2 Should all of the changes to members' allowances be approved, this will result in an additional annual cost of £8,500. The cost of approving each individual recommendation is shown above at paragraph 3.8.
- 4.3 **Chief Finance Officer's comments:** Any increase in member special responsibility allowances will need to be met from within existing resources. Therefore, if members are minded to approve the suggested increase, it is recommended that the funding of up to £8,500 can be accommodated from within the proposed 20/21 budget, with the availability of funds identified from the corporate review contingency.

5. Legal Implications (including implications for matters relating to equality)

- 5.1 None arising from the content of this report.
- 5.2 **Monitoring Officer's comments:** None arising from the content of this report.

6. Sustainability Policy and Community Safety Implications

- 6.1 None arising from the content of this report.

7. Partnerships

- 7.1 No implications arise from the content of this report.

8. Risk Assessment

- 8.1 There are no risks arising from the content of this report.

9. Conclusion and Recommendations

- 9.1 The Mayoral Budget has not been reviewed for nearly ten years nor has it benefitted from inflation increases. The recommendation addresses this anomaly, by linking the Mayoral Budget to the inflation index used for Member Allowances.
- 9.2 The IRP reviewed various anomalies within the Members Allowance Scheme. Through the questionnaires, meetings and diaries, it has concluded that the Scheme should be amended in line with its recommendations to better serve the current needs of the Council and to recognise the work undertaken by various Councillors.

Ward(s) affected: (All Wards);