

Strategy and Resources Committee  
28 November 2017

## **Scheme for Members' Allowances**

<b>Report of the:</b>	Head of Legal and Democratic Services
<b>Contact:</b>	Simon Young
<b>Urgent Decision?(yes/no)</b>	N/A
<b>If yes, reason urgent decision required:</b>	N/A
<b>Annexes/Appendices (attached):</b>	<b>Annexe 1:</b> Independent Remuneration Panel Report <b>Annexe 2:</b> Members' Allowances Scheme Costs
<b>Other available papers (not attached):</b>	Report to S & R dated 19/04/11 Council Minutes dated 19/04/11 Report to S & R dated 11/11/14 Report to Council dated 09/12/14

### **Report Summary**

**This report asks the Committee to consider the report of the Independent Remuneration Panel and to make recommendations to Council on the Council's Scheme for Members' Allowances.**

### **Recommendation (s)**

**That the Committee considers the report of the Independent Remuneration Panel and makes recommendations to Council on the Council's Members Allowances Scheme.**

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

1.1 There are no direct implications for the purposes of this report.

#### **2 Background**

2.1 The current Scheme of Members Allowances had been in force since May 2011, subject to amendment in December 2014 concerning the level of Special Responsibility Allowances.

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- 2.2 In March 2015, the Strategy and Resources Committee considered a report that set out a business case for the introduction of Mod.Gov and whether resources could be released to commence it. In response to member concerns on its impact in relation to I.T. related services provided to members at that time a commitment was given to seeking guidance from an Independent Remuneration Panel about the technicalities of paying a sum of money to members to cover the cost of IT/telephony services necessary to undertake their role. However, the assumption was that this sum would be paid as part of the Basic Allowance.
- 2.3 South East Employers was contracted to support the review and membership of the Panel, under the Chairmanship of Mr. Mark Palmer, was refreshed in July 2017. The Panel convened over two days on 28 and 29 August 2017.
- 2.4 In 2015 the Member ICT Reference Group had indicated that it considered that an allowance of £150 per year would be sufficient to enable a councillor to cover their costs in terms of IT/Telephony services. This was on the basis that an electronic tablet would also be provided to members. However, some reservations were expressed at that time by members as to whether or not this sum was at the appropriate level and all councillors were afforded the opportunity to put their views forward to the Panel on this matter when it was convened in August this year. The report of the Independent Remuneration Panel is attached as **Annexe 1**.

### 3 Proposals

- 3.1 The Panel's detailed conclusions and recommendations are set out in its reports. In summary, the Panel recommends as follows:
  - 3.1.1 The Basic Allowance for Members of Epsom and Ewell Borough Council for the year 2018/2019 should be £3,861 subject to any indexation;
  - 3.1.2 All the SRAs with the exception of the Minority Group Leaders and Independent Person for Standards Matters should be calculated as a percentage of the Basic Allowance and for 2018/19 to be in accordance with the those listed on page 9 of its report;
  - 3.1.3 The current SRA for a Leader of a Minority Group should be withdrawn and replaced by an SRA that requires Leaders of Minority Groups to have at least 15% plus of total Members (6 members): subject to meeting this criteria they should then receive an SRA of £200 plus £50 per group member;
  - 3.1.4 The Majority Group Leader should receive an SRA at Level 2 - 70% of the Basic Allowance, the proposed allowance to be £2,703 for 2018/19 subject to any indexation that may apply;
  - 3.1.5 The SRA for Chairman of Nonsuch Park JMC should be withdrawn;

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- 3.1.6 The SRA for the Independent Person for Standards Matters, (currently £1012.44 per annum) should be withdrawn and replaced with a daily rate of £250 payable only when the post was required by the Council to perform the duties of an Independent Person;
- 3.1.7 The Panel proposed no change to the approach in respect of the Dependants' Carer Allowance except that reference to National Minimum wage should be replaced by 'appropriate rate of the National Living Wage';
- 3.1.8 Concerning travel and subsistence, the Council should continue to adopt the HMRC rates for calculating reimbursement of Members mileage. Any subsistence payments should be in accordance with those paid to Officers of the Council;
- 3.1.9 Concerning Indexation of the Basic Allowance: any index linkage agreed should be in line with staff salary increases for a maximum of four years from 2018/2019 to 2022/2023. The Panel recommended that Members ensure the indexation of allowances based on the percentage of staff salary increases takes place and is not foregone;
- 3.1.10 The one SRA only rule per Member should be implemented

#### 4 Financial and Manpower Implications

- 4.1 An analysis of the financial impact of the Panel's recommendations is set out in **Annexe 2**
- 4.2 **Chief Finance Officer's comments:** *The cost of the existing member allowance scheme is £160,450. The proposed changes if all allowances remain payable would increase that cost by £17,451 to £177,991.*
- 4.3 *The budget for 2017/18 for member allowances is currently £165,000. The budget will need to increase for 2018/19 by £12,991 (7.9%) to meet the costs if all allowances are payable under the new scheme.*
- 4.4 *However, there will be a reduction in the overall cost of allowances where councillors are currently in receipt of more than one allowance, under the proposed new scheme they will not be entitled to these additional payments.*

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

- 5.1 **Monitoring Officer's comments:** *Regulations require councils to establish and maintain an independent remuneration panel that has the function of providing the local authority with advice on its allowances scheme, the amounts to be paid and the pensionability of allowances where relevant. Whilst it is for each Council to decide its allowances scheme and the amount paid under that scheme, local authorities must have regard to this advice.*

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### **6 Sustainability Policy and Community Safety Implications; Partnerships**

6.1 There are no implications for the purposes of this report.

### **7 Risk Assessment**

7.1 There are no significant risks for the Council arising out of this report.

### **8 Conclusion and Recommendations**

8.1 The Independent Remuneration Panel relied on a number of sources of information to inform its review, including a questionnaire circulated to all members. The Panel also asked for interviews to be arranged with particular members and all members were invited to attend an open session to share their views and experiences on the topic of allowances with the Panel.

8.2 It is for each Council to decide its allowances scheme and the amount paid under that scheme but local authorities must have regard to the advice of an Independent Panel in so doing.

8.3 Once having had regard to the recommendations of the IRP, members are perfectly entitled not to agree to its recommendations, and propose alternatives. This could be on the methodology used to calculate the Basic Allowance, the parameters used in that calculation, the amount of allowances and/or the recommendations around Special Responsibility Allowances.

**Ward(s) Affected: (All Wards);**