

REPORT OF THE INDEPENDENT REMUNERATION PANEL

Head of Service:	Piero Ionta, Head of Legal and Monitoring Officer
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Report of the IRP, dated December 2023.

Summary

Further to the appointment of an Independent Remuneration Panel ('IRP') by full Council at its July 2023 meeting, a report outlining their review of the Council's Member Allowance Scheme and recommended changes is brought to this committee for its review and recommendation to full Council at its February 2024 meeting.

Recommendation (s)

The Committee recommends to Full Council that:

- (1) The report and recommendations of the IRP are noted.
- (2) The Members Allowances Scheme be updated to accept Option A /or Option B (as set out in para 2.6 and Appendix 1)
- (3) The SRA for the Chair of the Standards and Constitution Committee should be increased from 10% to 30% of the Basic Allowance from 1 April 2024.
- (4) The SRA for the Vice Chair of the Standards and Constitution Committee should be increased from 5% to 15% of the Basic Allowance from 1 April 2024.
- (5) The SRA for Chair of Human Resources Panel should be withdrawn from the end of this municipal year.
- (6) The SRAs for 2024/25 to be in accordance with those listed in Appendix 1 of the IRP report.
- (7) That the Council's existing Dependants Carers Allowance continues without amendment.

- (8) The Annual Indexation of Basic and Special Responsibility Allowances in line with the 'cost of living' percentage increase in staff salaries should be implemented from 1 April 2024 /or 1 April 2025 for the next two financial years.**
- (9) To fund any increases to the Members Allowances Scheme that arise from the above recommendations, officers will need to be tasked with identifying compensating savings/additional income within services.**
- (10) The Panel be instructed to review the Scheme on or before December 2025, as to the following specific issues:**
 - (a) A full review of Special Responsibility Allowances (SRAs) be undertaken, in particular the adoption of a 'One SRA per Councillor' rule;**
 - (b) Explore awarding a SRA for the Mayor and Deputy Mayor, and**
 - (c) To review and propose a policy for pre-approved payments for travel, subsistence and attendance at conferences, seminars and other official Council business outside of the borough, having reviewed how this should work in future.**

1 Reason for Recommendation

- 1.1 In light of the appointment of the IRP at the full council meeting held on 25 July 2023, a report has been received with several recommendations for consideration by this Committee so that it may forward recommendations for full council to adopt at its meeting in February 2024.

2 Background

- 2.1 The arrangements for setting a Scheme of Allowances and appointing an Independent Remuneration Panel (IRP) are set out in The Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations). These Regulations state that local authorities must establish and maintain an IRP with the purpose of making recommendations to the authority about allowances paid to members.
- 2.2 The Council last received a report from an IRP at its meeting on 13 February 2020, and following consideration, agreed a Members Allowances Scheme. The Scheme has subsequently received an annual variation linked to the Consumer Prices Index in 2021, 2022 and 2023 in accordance with its terms.

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- 2.3 The Regulations set out that the Council may not rely on an index-based adjustment to its scheme of members allowances for longer than a period of four years before seeking a recommendation from an IRP. Accordingly, the Council appointed an IRP to enable a report to be presented for consideration prior to May 2024. Council must have regard to the recommendations of the IRP before making any changes to the Members Scheme of Allowances.
- 2.4 A review of the Scheme of Members' Allowances by the Independent Remuneration Panel (IRP) was carried out between August 2023 and December 2023, and the IRP's report is attached at Appendix 1. The IRP's workplan was as follows:
- July 2023 – Council ratified IRP appointments.
 - September 2023 – IRP induction and IRP review commences.
 - January 2024 - Feb 2024 – IRP presents its report to this Committee and its recommendations to Council.
- 2.5 In addition to meeting with the Chief Executive and s.151 officer of the Council, the IRP met with the majority of Political Group Leaders and sent a survey to all councillors to gather feedback on the current Allowances Scheme. A total of 28 elected members replied to the survey, including each Committee Chair.
- 2.6 The findings of the IRP are as follows:
- 1 The Basic Allowance for Members of Epsom and Ewell Borough Council for the year 2024/2025 should be increased using a structured formula from the current Basic Allowance of £4031.70 to either Basic Allowance Option A (£4,461.60) or Basic Allowance Option B (£5,736.90) subject to any indexation.**
 - 2 That a full review of Special Responsibility Allowances (SRAs) be undertaken by a future Independent Remuneration Panel.**
 - 3 The SRA for the Chair of the Standards and Constitution Committee should be increased from 10% to 30% of the Basic Allowance.**
 - 4 The SRA for the Vice Chair of the Standards and Constitution Committee should be increased from 5% to 15% of the Basic Allowance.**
 - 5 The SRA for Chair of Human Resources Panel should be withdrawn.**
 - 6 The SRAs for 2024/25 to be in accordance with those listed in Appendix 1 of the IRP report.**
 - 7 That if the Council agrees to accept a recommended increase to Basic Allowances as set out in this report, it also considers whether it wishes to introduce a "One SRA per Councillor" rule to limit Councillors to being paid for only one SRA even if they qualify for more than one.**
 - 8 That the Council's existing Dependants Carers Allowance continues without amendment. That the Council considers how the allowance can**

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be promoted to councillors to ensure that they are aware of its availability.

- 9 That the Council agrees to adopt a policy in relation to pre-approved payments for travel, subsistence and attendance at conferences, seminars and other official Council business outside of the borough and that until such a policy has been adopted by the Council, that the existing arrangements set out in the Members' Allowances Scheme continue without amendment.
- 10 Any index linkage agreed by the Council for the Basic Allowance and Special Responsibility Allowances should be in line with staff salary increases for a maximum of two years starting from either 2024/2025 or 2025/26.
- 11 It is recommended that the new Members' Allowances as set out in this report be implemented from 1 April 2024.

2.7 Having considered the report and recommendations of the IRP, this Committee is asked to make appropriate recommendations to Full Council on changes to the Members Allowances Scheme.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 The purpose of the Members Allowances Scheme is to create a transparent schedule of remuneration that will support and enable councillors to execute their roles across a range of governance duties and responsibilities. A successful scheme will:

3.1.1.1 enable any local resident to be able to stand for election and fulfil the roles of office without experiencing the deterrent of financial disadvantage,

3.1.1.2 assist in increasing the diversity of councillors, to better reflect the communities they represent and serve, and

3.1.1.3 encourage local democratic participation.

3.2 Crime & Disorder

3.2.1 None

3.3 Safeguarding

3.3.1 None

3.4 Dependencies

3.4.1 None

3.5 Other

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3.5.1 None

4 Financial Implications

- 4.1 The delivery of the IRP's review of the scheme of allowances supports the Council's strategic framework by ensuring payments to councillors are reflective of their roles and responsibilities. It will help to ensure allowances are set at a level that facilitates suitably able, qualified, and representative people standing as candidates for Council.
- 4.2 The Panel has suggested an increase to the Basic Allowance that then also increase SRAs. These increases will adversely impact on the Council's finances; the Council already faces a substantial underlying budget deficit in future years, as separately reported in the Revenue Budget Report.
- 4.3 The Options set out by the Panel equate to:
- **Option A** alone would see the basic member allowance cost increase by c.11%, the collective cost of which is c.£20k overall;
 - **Option A + 6%** would see the basic member allowance cost increase by c.17%, the collective cost of which is £32k overall;
 - **Option B** would see the basic member allowance cost increase by c.42%, the collective cost of which is £78k overall, and
 - **Option B + 6%** would see the basic member allowance increase by c.51%, the collective cost of which is c.£94k overall.
- 4.4 Whichever option is chosen, to fund any increases to the Members Allowances Scheme, officers will need to be tasked with identifying compensating savings/additional income within services.
- 4.5 **Section 151 Officer's comments:** Members are advised that an above inflation increase in members allowances would add further costs for the Council to manage, adversely impacting the Council's financial position in the short term until further compensating savings or additional income can be identified from services.

5 Legal Implications

- 5.1 In accordance with Regulation 22 of the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021), upon publication of this report, the council shall:
- 5.1.1 publish in one or more newspapers circulating in its area, a notice which—
- (i) states that it has received recommendations from an independent remuneration panel in respect of its scheme;

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(ii) describes the main features of that panel's recommendations and specifies the recommended amounts of each allowance mentioned in the report in respect of that authority;

(iii) states that copies of the panel's report are available at the principal office of the authority for inspection by members of the public at such times as may be specified by the authority in the notice; and

(iv) specifies the address of the principal office of the authority at which such copies are made available.

5.2 Upon a decision being taken by full Council further to the recommendations of this Committee having duly considered the recommendations of its IRP, a further notice will be published in accordance with Regulation 16 of the Local Authorities (Members' Allowances) (England) Regulations 2003.

5.3 **Legal Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** None

6.4 **Sustainability Policy & Community Safety Implications:** None

6.5 **Partnerships:** None

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [Report to Council, 13 February 2020](#)

Other papers:

- None