REPORT OF THE

INDEPENDENT REMUNERATION PANEL

ON

THE MEMBERS' ALLOWANCES SCHEME 2016-2017

FOR

SPELTHORNE BOROUGH COUNCIL

April 2016

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INTRODUCTION

1. This report has been prepared in accordance with the *Local Authorities (Members' Allowances) (England) Regulations 2003* ("the 2003 Regulations") as amended, which require all local authorities to appoint an Independent Remuneration Panel ('the Panel') to advise on the terms and conditions of their Scheme of Members' Allowances ('the Scheme').

2. The Panel acknowledges that it is a matter for the Council to decide the level of Members' Allowances. The statutory position (Paragraph 19 of the 2003 Regulations) is that Spelthorne Borough Council ***"shall have regard to"*** the advice from the Panel and the Council cannot make any changes to its Scheme without first considering the Panel's advice on the issues involved. In having "regard" to the Panel's advice, the Council is to "give proper consideration" to the Panel's report. In this way, the Council can take full account of its particular circumstances and be directly accountable to its electorate.

3. The function of the Panel is therefore to provide the Council with advice on the type of its allowances and the amounts to be paid.

4. The 2003 Regulations require the authority to make copies of the Scheme available for inspection by members of the public at all reasonable hours and publish a notice in a local newspaper giving details of the Scheme and the amounts payable in respect of each allowance mentioned in the Scheme.

INDEPENDENT REMUNERATION PANEL

5. Spelthorne Borough Council appointed the following persons to comprise the Panel on 19 December 2013.

   Mr. Douglas Robertson (Chairman)
   Mr. Brian Smith
   Mr. David Wight

6. The members of the Panel have between them considerable experience in local government both as councillor and senior officer, member of audit and remuneration committees, finances, private and public sector management and charity work.

7. They have no connections with the Council and no current affiliation to any political party.

8. The Panel does not receive any payment for the time or work that it expends in undertaking the annual review of Members' Allowances.

TERMS OF REFERENCE

9. Our terms of reference are in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" ("the Guidance") issued in 2003. We are required to make recommendations to the Council about the following:

   a) The amount of basic allowance payable to all Council members;

b) The categories of Council members who should receive a special responsibility allowance (SRA) and the amount of that allowance;
c) Whether the Scheme should include an allowance for the expenses of arranging for the care of children and dependants, and, if so, the amount of this;
d) The amount of travel and subsistence allowances and the approved duties in respect of which they can be paid;
e) Allowances for co-optees (for example the independent members appointed by the Council to serve on the Council's Members' Code of Conduct Committee); and
f) Whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long that index should apply, subject to a maximum of four years before its application is reviewed.

PRINCIPLES UNDERPINNING OUR REVIEW

10. The following principles, which were established at the time of the Panel's review in 2000, continue to underpin this review: -

(i) The basic allowance is intended to recognise the time devoted by councillors to their work, not just work in formal council meetings, but in the community and in meetings with constituents, officers and their political group, and also to cover incidental costs (such as the use of their homes and private telephones).

(ii) Special responsibility allowances (SRAs) are used to recognise the *significant additional responsibilities* which attach to some roles, not just the extra time required.

(iii) Members' allowances are not intended to compensate for loss of earnings, nor are they to recompense for the total number of hours councillors spend on their duties, bearing in mind the voluntary element of service in fulfilling the role of a local councillor, as recognised in government guidance. Councillors are not paid employees of the Council and their allowances should not be treated as salary.

(iv) The Scheme should be fair, easy to understand and straightforward to administer.

11. Alongside the general principle that the payment of an allowance is not intended to compensate for loss of earnings, the Panel advocates a principle of fair remuneration and subscribes to the view promoted by the independent Councillors' Commission which says that remuneration should not be an incentive for service as a councillor, nor should lack of remuneration be a barrier. The level of remuneration should be sufficient to allow most people to consider becoming an elected member without suffering unreasonable financial disadvantage and equally applies to existing councillors who may be deterred from fulfilling their role successfully if the remuneration is not sufficient.[1]

[1]Rodney Brooke and Declan Hall, Members' Remuneration: Models, Issues, Incentives and Barriers. London: Communities and Local Government, 2007.

CURRENT SCHEME

12. The last review of the Scheme took place in October 2014, when the Panel recommended an increase in basic allowance of £197 per year (a 5% increase in the basic allowance of £3938, equating to a revised figure of £4135), on the basis that it struck a fair balance between addressing the effect of a freeze on allowances over the past six years, whilst taking into account the need to consider the council's financial position.

13. The Panel advised in its report to the Council that the calculation used for the 2015/16 review was indicative and not advanced as a formula for future years.

14. The Council decided not to accept the findings of the review and rejected the increase.

15. The level of all allowances for 2015/16 consequently remained frozen at the 2008 rate. The Scheme currently provides that all councillors are entitled to a basic allowance of £3938 per annum. This is paid on a monthly basis. In addition, the Leader, one Deputy Leader, five Cabinet members, the Chairmen of Committees and the Opposition Group Leader each receive a special responsibility allowance for undertaking additional duties.

16. The feedback from members (outside of the Council meeting), was that they felt undervalued by the Panel's decision to link the allowance to the minimum wage.

17. The Panel wishes to place on record that it regrets that some members of the Council may have misunderstood the Panel's appraisal of members' allowances last year. Its intention in comparing the basic allowance to a multiplier of the minimum wage was for the Council to be able to demonstrate to the public that the current basic allowance, having been frozen for 6 years, was not even up to the level of a minimum wage. It is not within the Panel's remit to do a performance review of individuals or the Council as a whole, so its recommendation was not a reflection of any judgement about the value of the work undertaken by members.

SOURCES OF INFORMATION FOR 2016/17

18. In January 2016, the Panel met with three members of the Conservative Group and one from the Opposition Group to discuss their views on the Scheme for 2016/17. The purpose of the meeting was to exchange views and no negotiations or decisions were made. The Panel found the discussions useful and are grateful to these members for their contributions which have assisted its deliberations.

19. All members were also given an opportunity to complete a questionnaire on the Scheme 2016/17 and 28 responses were received from councillors, which represents almost 72 per cent of the Council. The information obtained was very helpful to the Panel and was used as a significant element of the evidence upon which it has based this report and recommendations. Reference to the questionnaire results is made throughout this report with the previous year's figures shown in brackets.

20. A summary of the questionnaire responses is available on request.

21. The Panel has taken into account the South East Employers Members' Allowances survey 2014-2015 which provided regional comparative data on allowances.

22. The Panel was also provided with:

- Details of Surrey Boroughs' and Districts' allowances for 2014/15 and 2015/16
- Spelthorne Borough Council's ranking for basic allowance against other Surrey Boroughs and Districts in 2008/09 and 2015/16
- Details of staff pay awards since 2009.
- Details of indices (Consumer Price Index and Retail Price Index) since 2009.
- Details of the number of meetings held and committee attendance records for May to November 2015.

CONSIDERATIONS AND RECOMMENDATIONS

Pensions

23. The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 removed access to the Local Government Pension Scheme (LGPS) from 1 April 2014 for councillors and elected mayors in England, with the exception that any of those who were members of the LGPS on 31 March 2014 would retain access to the LGPS up to the end of their current term of office only (May 2015 in the case of Spelthorne councillors) or to age 75 if earlier.

24. Some members asked the Panel to take into account the effect on the allowance of the loss of pension rights as part of this review. Although it is acknowledged that the removal of this right will have a financial impact on those councillors who have served a previous term on the Council, (and consequently had the option of accruing pension rights), the Panel did not feel it appropriate to propose any amendment to the scheme specifically to compensate for this 'loss'. The Panel has therefore made no recommendation in this regard other than that the Scheme be updated accordingly.[2]

Basic allowance

25. The Scheme must include provision for a basic allowance, payable at an equal flat rate to all councillors.[3]

26. The basic allowance is intended to recognize the time commitment of all councillors including such inevitable calls on their time as attending Council and other formal meetings, training/briefings, civic events and political group meetings and undertaking general constituency work. It is also intended to cover incidental costs such as the use of their homes and telephones.

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[2] Proposed Scheme for April 2016 is attached at Annex 1

[3] The Local Authorities (Members' Allowances) (England) Regulations 2003: Part 2, Regulation 4. (1)(a)

27. The Panel's analysis of the questionnaire returns for the 2016/17 Scheme indicated that all but two of the respondents i.e. 93% (63% in 2015/16) considered that the basic allowance needed to be increased. Furthermore, 19 respondents, 70% (46%), considered themselves financially disadvantaged as a result of their role as a councillor.

28. Furthermore, in face to face discussions, councillors advised that the majority of the 17 councillors who were elected in May 2015 were full-time workers who found their role to be a drain on their time and work commitments. The Panel noted the point they make that the current basic allowance does not encourage new people to stand for election and deters some from re-standing.

29. The Panel therefore believes that the correspondents have given clear, almost unanimous support to consideration of an increase in the basic allowance to ensure that no elected member suffers an unreasonable financial disadvantage as a result of their role serving the community.

Public Service element discount

30. Since 2008, a discount of 33% to reflect the voluntary public service element (PSE) of the councillor role has been applied when calculating the level of basic allowance. The Panel agrees with the principle of such a discount.

31. Members were asked in the survey whether they thought the current discount of one third for the voluntary element of the role was about right, too high or too low. 61% (58%) said that the PSE was about right; 18% (21%) said the discount was too high and another 22% (21%) said it was too low.

32. The Panel concluded that discounting a percentage of the time spent by all councillors on their work for the public service element was still appropriate and on the basis of the survey, agreed that the current discount of 33% should continue to apply. This percentage sits within the range of PSE discount applied to basic allowances by councils in the southeast.[4]

Attendance

33. The Panel was pleased to note that attendance at meetings by individual councillors was generally good with almost every Member absent offering an apology. Under the 2003 Regulations, it is not permissible to pay individual (Attendance) Allowances in recognition of attendance at meetings.[5] The attendance records are published on the Council's web site.

[4] Data from South East Employers, Members' Allowances Survey 2015 (October 2015)

[5] The Local Authorities (Members' Allowances) (England) Regulations 2003: Part 2, Regulation 4.

Workload

34. The Panel's analysis of the survey responses on time spent on ward work and general council business suggested that there has been an increase in the workload of councillors since the basic allowance was set at its current level in 2008. Backbenchers' responses suggest councillors spend on average in a range of between 7 and 17 hours on fulfilling their councillor duties. The overall average time spent on undertaking the councillor role has increased from 8 hours in 2008 to 12 hours in 2015.

Comparison to Surrey Boroughs and Districts

35. We noted how Spelthorne's current basic allowance compares to the other Surrey Boroughs and Districts. We find that this is the most appropriate comparator and are not minded to consider how Spelthorne's allowances compare to those of County or Unitary authorities.

Council	Basic Allowance (£) 2015-16[6]
Woking Borough Council	7115
Reigate & Banstead Borough Council	5298
Surrey Heath Borough Council	5042
Guildford Borough Council	4845
Waverley Borough Council	4573
Elmbridge Borough Council	4395
Mole Valley District Council	4159
Tandridge District Council	4012
Spelthorne Borough Council	**3938**
Epsom & Ewell Borough Council	3341
Runnymede Borough Council	2869
Median / Mean	**4395 / 4625**

36. The Panel is conscious of the basic allowance payments being made by other councils and how Spelthorne benchmarks against them: compared to the 11 Surrey Boroughs and Districts, Spelthorne's position has slipped from 6th place in 2008 to 9th place in 2015. (See Annex 2) This is mainly due to the fact that Spelthorne Borough councillors have chosen to freeze the basic allowance since 2009.

37. Taking account of the fact that between 2009/10 and 2015/16 no increase had been made to members' allowances, it is the view of the Panel that the Council should redress the shortfalls which have developed over the past 7 years, due to the position adopted by the Council in that period.

38. It is never a good time for a council to increase their allowances and the Panel has a difficult enough task now in proposing an increase due to the effect of the standstill in allowance for so many years, however, further prevarication would exacerbate the situation making it even harder to address.

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[6] Most figures drawn from the South East Employers, Members' Allowances Survey 2015 (October 2015)

39. It is therefore the Panel's intention to systematically review the scheme of members' allowances with a view to increasing the current levels. However, in light of the financial constraints facing the Council over the next four years, it may take some years to remedy the accumulated shortfall.

40. The Panel is also persuaded that there is a strong case for an uplift to the basic allowance in 2016/17 to go some way towards ensuring that councillors serving in Spelthorne receive appropriate financial recognition comparable with their colleagues in the other Surrey authorities.

41. The Panel started from the position of its recommendation last year, that the basic allowance be increased by 5% to £4,135.

42. Having regard to inflation, the increase in workload illustrated most helpfully by the members interviewed, and the fact that a substantial proportion of survey respondents (70%), considered themselves financially disadvantaged by performing their duties and responsibilities as a councillor, the Panel concluded that a further increase of 10% was justified.

43. An increase of 10% on the previously recommended amount of £4,135 gives a basic allowance of £4,550. Such a figure would raise Spelthorne's remuneration level to around the middle of the payments made by the other Surrey authorities.

44. The Panel also noted that had the basic allowance been increased year on year since 2009 in line with the Consumer Price Index (CPI)[7], it would now be at £4,605. The Panel feels it is worth noting that although its recommendation of £4,550 is in the region of the CPI increase, it is not recommending an increase in line with CPI, for the reasons explained in paragraph 47 below.

45. In making its recommendations the Panel has sought to maintain a balance between:
    (a) the voluntary service element of a councillor's role
    (b) the need for appropriate financial recognition for the time spent and expenses incurred by councillors in fulfilling their roles
    (c) the need to ensure that the scheme of allowances is neither an incentive nor a barrier to service as a councillor in Spelthorne

Economic Factors

46. The Panel has considered the financial constraints facing the Council due to the fall in Government Grant during the years 2016-2020 which will continue to be a pressure for Council finances.

47. The Panel understands that any increase in the basic allowance can be problematic at any time, but especially so in a period of ongoing public sector austerity and pay restraint. Some councillors feel the basic allowance should be increased this year by a very significant amount, however, it is the Panel's opinion that it is more appropriate to redress the shortfall over a period of years rather than in one fell swoop. In any case, councillors may well feel reluctant to vote for a larger increase in allowances due to the added pressure this will place on the Council's budget for 2016-17.

[7] Office for National Statistics, Consumer Price Indices 2009 - 2015
CPI March 2009: 109.8, CPI October 2015: 128.4
Calculation of effect of annual increase in basic allowance of £3938 by CPI: £3938 x 128.4/109.8 = £4605

48. Having regard to the current economic circumstances and taking account of the evidence received, the Panel recommends that there should be an increase in the annual Basic Allowance for 2016/17 of £612 per annum resulting in a flat rate payment to each councillor of £4,550.

RECOMMENDATION
The Panel recommends that the Basic Allowance payable to all members of Spelthorne Borough Council should be £4,550 per annum from 1 April 2016.

Special Responsibility Allowances

49. A special responsibility allowance (SRA) may be paid to recognize the significant additional responsibilities that certain roles in the Council require of councillors. The payments for SRAs do not have to be the same across different roles.

50. The 2003 Regulations do not limit the number of SRAs which may be paid, nor do the Regulations prohibit the payment of more than one SRA allowance to any one Member. They do require that an SRA be paid to at least one councillor who is not a member of the controlling group of the Council.

51. The current Scheme, approved by successive councils, however, states that, *"No one member should be entitled to receive more than one special responsibility allowance and no more than one third of all councillors should be in receipt of special responsibility allowances at any given time."*

52. The Panel noted guidance that supports the Regulations and which indicates that there are important considerations for Local Authorities in relation to SRAs.

53. The guidance states that *"If the majority of Members of a Council receive an SRA the local electorate may rightly question whether this was justified. Local Authorities will wish to consider very carefully the additional roles of Members and the significance of these roles both in terms of responsibility and real time commitment before deciding which will warrant the payment of the SRA."*

54. The 'one SRA only' rule improves the transparency of the scheme of allowances. If a councillor is able to receive more than one SRA then the public is unable to ascertain the actual level of remuneration for an individual councillor from a reading of the Scheme of Allowances.

55. Furthermore, the 'one SRA only' rule avoids the possible anomaly of the Leader receiving a lower allowance than another councillor. Where two or more allowances may be applicable to a councillor then the higher-valued allowance is the one received. The 'one SRA only' rule is common practice for many Councils.

56. Having had regard to the guidance and the importance of maintaining a scheme that is transparent, the Panel is of the opinion that the two rules for SRAs currently in the Scheme should remain unchanged for 2016/17.

RECOMMENDATION
The Panel recommends that no changes be made to the Scheme of Members' Allowances in relation to the rules on claiming Special Responsibility Allowances.

57. Under the current Scheme of allowances for Spelthorne there are 5 categories for special responsibility allowances which are paid to a total of 13 councillors:
- Leader (1)
- Deputy Leader (1)
- Cabinet Member (6)
- Chairman (Planning, Licensing, Audit and Overview and Scrutiny Committees) (4)
- Opposition Group Leader (1)

58. From the evidence gathered from both the survey responses and face to face interviews, all those members who currently receive an SRA felt it was on the low side and that some roles carried a greater workload and more responsibility.

59. The Panel also bore in mind comparison data[8] from 2015/16 which indicated that some of Spelthorne's current SRA allowances compare favourably against Surrey authorities, with the Leader's and Deputy Leader's SRAs at present being close to and above, respectively, the mean figures of £9586 and £4870.

Council	SRA for Leader 2015/16 £	SRA for Deputy Leader 2015/16 £
Surrey Heath Borough Council	13741	4511
Waverley Borough Council	13433	9299
Reigate & Banstead Borough Council	13152	10741
Elmbridge Borough Council	12240	6120
Guildford Borough Council	11236	5173
Spelthorne Borough Council	**9037**	**6001**
Mole Valley District Council	6597	3000
Runnymede Borough Council	5738	1434
Tandridge District Council	5690	1423
Woking Borough Council	5000	1000
Average	***9586***	***4870***

60. The current payments for special responsibility allowances, frozen since 2009, are based on the formula adopted since 2000. Taking into account the greater number of days input required by different roles, SRAs were calculated by applying a multiplier to the time component of the formula for the basic allowance. The time component was not discounted to reflect the voluntary public service principle.

61. The Panel looked to the guidance to consider a fresh approach for this review.[9] The guidance suggests agreeing the allowance which should be attached to the most time consuming post on the Council and pro-rata downwards for the other roles which it has agreed ought to receive an extra allowance.

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[8] Most figures drawn from the South East Employers, Members' Allowances Survey 2015 (October 2015)

[9] The former Office of Deputy Prime Minister – now the Department for Communities and Local Government and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances,* London: TSO, July 2003, paragraph 76.

62. The Panel considered the current role profiles[10] in the Council's Constitution for those councillors with *significant* additional responsibilities. We agreed that the following roles should continue to be awarded an SRA:

- Leader
- Deputy Leader
- Cabinet Member
- Chairman (Planning, Licensing, Audit and Overview and Scrutiny Committees)
- Opposition Group Leader

63. The Panel also considered a suggestion that a new special responsibility allowance be awarded to associate Cabinet members and listened to evidence of the proposed role profile for these members who would shadow the portfolio holders with some responsibility in the role but no voting powers. The Panel concluded that as the role was non-voting, it did not carry a *significant* level of additional responsibility, as defined by the Regulations[11], but was more of a developmental opportunity for group members. The Panel does not therefore propose to allocate an SRA to the role of associate Cabinet member.

64. The Panel was advised that Spelthorne Borough Council and Surrey County Council are looking to set up a Joint Committee which will be chaired by a member of Surrey County Council with a Spelthorne Borough Councillor being appointed to the position of vice-chairman. On the basis that the terms of reference for the Spelthorne Joint Committee are likely to be similar to those for the Woking Joint Committee, the Panel looked at whether there was a significant additional responsibility attached to the role of vice-chairman of this new committee. The opinion of the Panel is that following Spelthorne's practice of not paying an SRA to a vice-chairman, the responsibilities for this vice-chairman would not be significantly different to that of a vice-chairman of any of the Council's other committees.

65. The Panel does not therefore recommend any new special responsibility allowances for inclusion in the Scheme for 2016/17.

66. Having established the roles to which a special responsibility allowance would be attached, the Panel then agreed that the role of Leader of the Council carried the most significant additional responsibilities and was the most time consuming and therefore should be the starting point from which to establish the level of SRAs for the other roles as proposed above.

67. Other SRAs (with the exception of that for the Opposition Group Leader) are then valued downwards as a percentage of the Leader's allowance. This approach has the advantage that when future adjustments to the SRAs are required, changing the Leader's SRA will have a proportionate and easily calculable effect on the other SRAs.

68. In making its recommendations, the Panel wishes to emphasise that they should not be interpreted as a reflection on any individual councillor's performance in the role.

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[10] Part 3f of the Council's Constitution, as amended for consideration at Council in April 2016.

[11] Local Authorities (Members' Allowances) (England) Regulations 2003, regulation 5. (1)(i) and *Guidance on Consolidated Regulations for Local Authority Allowances,* paragraph 73.

The Leader

69. The Leader is ultimately responsible for the discharge of all executive functions of the Council. The Leader is the principal policy maker and has the personal authority to determine delegated powers to the rest of the Cabinet. The Leader is also responsible for the appointment (and dismissal) of members of the Cabinet and their respective areas of responsibility.

70. The multiplier that the Panel applied to calculate the Leader's SRA is 200%, or twice the basic allowance. If the recommended proposal of a basic allowance at £4,550 is adopted, this results in a Leader's allowance of £9,100.

RECOMMENDATION
The Panel recommends that the Leader receive a Special Responsibility Allowance of 200% of the basic allowance, £9,100 per annum.

Deputy Leader

71. The Deputy Leader usually acts on the Leader's behalf in their absence. From the evidence the Panel considers that this additional responsibility should be reflected in the level of allowance. Therefore the Deputy Leader's SRA is recommended to be set at 66% or two thirds of the Leader's SRA. If the Panel's recommendations on the basic allowance and the Leader's SRA are adopted, this results in an allowance rounded to £6,060.

72. The Panel considers that in most circumstances there will only be one Deputy Leader and it is not minded to recommend an allowance to be paid to two councillors appointed to this role, as this would change the role profile and consequently the level of allowance. The Panel is of the view that should the Council be in a position where two councillors were appointed to the role of Deputy Leader, that the total allowance allocated to the Leader and the Deputy Leader, be pooled and distributed between the three councillors appointed to these two roles. In this way, the Council will have more control over the budget for Members' Allowances in any one year. The Panel does not intend to make a recommendation with regards to the scenario described herein but leaves it as a matter for the Council to consider.

RECOMMENDATION
The Panel recommends that the Deputy Leader receive a Special Responsibility Allowance of 66% of the Leader's Allowance, £6,060 per annum.

Cabinet Members

73. From the evidence gathered, including the survey responses, face to face interviews and the Council's role profiles, it is clear that the Cabinet members hold considerable responsibility for their respective portfolios. In addition, we found the time commitment for the role to be significant. For these reasons we considered that the members of the Cabinet should receive an allowance of 50%, or half the Leader's Allowance, which equates to £4550.

RECOMMENDATION
The Panel recommends that the Cabinet members receive a Special Responsibility Allowance of 50% of the Leader's Allowance, £4,550 per annum.

Chairmen of committees

74. In considering the SRAs to be paid to Chairmen of Committees, the Panel had regard to the numbers of meetings scheduled in the Council's calendar, ad-hoc meetings held in the last year and additional meetings specifically for the chairmen. It also had regard to the Council's role profiles and the differing levels of responsibility for chairing public meetings.

75. From the evidence provided by the survey responses and face to face interviews, the Panel found that the additional time commitment for the role of Chairman is significant but varies in quantity according to the Committee. The Panel is persuaded that the Chairman of Planning Committee is a more demanding role than the other chairmanships, due to the numbers of meetings held, the open forum nature of the meeting, the amount of knowledge of policy and legislation required of the role and the need to be fully appraised of the applications coming before committee each month by undertaking site visits.

76. Having regard to all these points, the Panel considers that the Chairman of Planning Committee should receive an allowance of 40% of the Leader's Allowance, rounded to the nearest hundred, which is £3,600.

77. The Panel then looked at the chairmanships of Licensing and Overview and Scrutiny Committees. It found that although Licensing Committee does not hold many full committee meetings, it has historically been busy with ad hoc sub-committees. However, the evidence is that these have become less frequent over the past year. The role however does deal with complex legal matters and has responsibility for managing hearings in which the public are involved in the discussions.

78. Overview and Scrutiny Committees do not have formal decision-making powers; this committee cannot take actions to commit the Council. The Panel considered the role profile and terms of reference for this committee: the primary role for the committee would appear to be monitoring the Council's Cabinet and holding it to account. It also reviews policies and services and can make recommendations for improvement. There are less meetings of this Committee in the Council's yearly calendar, but it was evident from face to face interviews that the amount of paperwork across diverse topics for the Chairman to digest, is onerous.

79. Having regard to the evidence gathered, the Panel considers that the Chairmen of Licensing and Overview and Scrutiny Committees should each receive an allowance of *35*% of the Leader's Allowance, rounded to the nearest hundred, which is £3,200.

80. Finally, the Panel considered the role of the Audit Committee Chairman. From the information gathered about the lesser frequency with which this committee meets, and including the complexity of the remit, it finds that this role warrants an allowance of 25% of the Leader's Allowance, rounded to the nearest hundred, which is £2,300.

RECOMMENDATION
The Panel recommends that the Chairmen of Committees receive a Special Responsibility Allowance according to the Committee:

Planning Committee - £3,600 = 40% of the Leader's Allowance

Licensing Committee - £3,200 = 35% of the Leader's Allowance

Overview and Scrutiny Committee – £3,200 = 35% of the Leader's Allowance

Audit Committee - £2,300 = 25% of the Leader's Allowance

Opposition Group Leader

81. The Panel considered the level of SRA paid to the Opposition Group Leader. It recognises that the 2003 Regulations effectively require the Council to pay an SRA to the Opposition Group Leader. The Panel does not consider that the Opposition Group Leader's remuneration should be linked to the Leader's Allowance in the same way as the other SRAs. From the information gathered during our investigation, an allowance of £3,100 is recommended.

RECOMMENDATION
The Panel recommends that the Opposition Group Leader receive a Special Responsibility Allowance of £3,100.

Index linking

82. A scheme of allowances may make provision for an annual adjustment of allowances in line with a specified index. The Panel considered whether to recommend such an index to the Basic Allowance and the Special Responsibility Allowances. In view of the Panel's stated intention[12] to systematically review the Scheme with a view to increasing the allowances over the coming years, it would not be appropriate to propose an index link.

IT allowance

83. Since 2011 the Council has not provided computer equipment to members and instead pays councillors a separate taxable allowance (which is not part of the Scheme) which they can spend as they wish on computer equipment and accessories.

84. The Panel has considered councillors' comments that the IT provision is inadequate to support their role. It noted that some councils include provision for IT within their basic allowance. However, that is not the case at Spelthorne at the current time and the Panel has not seen any evidence to recommend this change. The current disbursement has been paid for a four year term until 2019, with many members taking it as a lump sum in May 2015.

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[12] Paragraph 39. of this report

85. The Council may wish to consider whether it would want to see the IT expenses brought into the scope of the basic allowance in future years, and to make such a recommendation to the Panel for its consideration at the 2018 review.

RECOMMENDATION
The Panel makes no recommendation relating to the current IT expenses, but gives Council the option of recommending that the Panel consider subsuming the IT expense into the basic allowance at the 2018 review of the Members' Allowances Scheme.

OTHER ALLOWANCES

Co-Optees Allowance

86. The current Scheme pays an allowance of £1000 and £500 to the Chairman and Vice-Chairman respectively of the Members' Code of Conduct Committee, both of whom are co-opted members.

87. As per all the allowances in the Scheme, these rates have been frozen since 2009.

88. The work of this Committee is mainly ad-hoc in that the main Committee only meets two or three times a year but Assessment and Hearings Panels convened to consider complaints against councillors under the Code of Conduct (and Chaired by one of the co-opted members) meet as and when required.

89. There have been no meetings of the aforementioned Panels in the past year, but in previous years their work has been more onerous.

90. The Panel does not propose to make any changes to the existing arrangements for allowances paid to co-optees.

RECOMMENDATION
The Panel recommends that the co-optees on the Members' Code of Conduct Committee continue to receive an allowance of £1000 and £500 for the Chairman and Vice-Chairman respectively.

Dependants' Carer's allowance

91. The Panel noted that the current Scheme for Dependants' Carer's allowance (DCA) provides that members are simply reimbursed the actual costs incurred for expenditure in relation to the care of dependent relatives or children while they are undertaking approved Council duties, subject to submission of receipts/invoices in support of claims. We were advised that no claims had been made for this allowance for at least the last four years.

92. The Panel had regard to the lack of claimants for DCA and did not receive any representations from members for the current Scheme to be revised.

RECOMMENDATION
The Panel therefore recommends that no change be made to the current scheme for Dependants' Carer's allowances.

Travel and subsistence allowance

93. The Panel considered the current payments for travel allowances which were payable at the same rate as for Council officers on a sliding scale dependent on engine size for car use, and for motorcycles, for journeys undertaken in relation to approved duties.

94. The current payments for cars, per mile, is:

	2015/16
up to 999cc	46.9p
1000cc - 1199cc	52.2p
1200cc and over	65p

95. The current payment for motorcycles is 24p per mile.

96. There is currently no allowance for use of cycles.

97. Across Surrey authorities, the majority who responded to the 2015 South East Employers survey paid the HMRC rate of 45p per mile for car use. The majority also paid a rate of between 20p and 24p per mile for cycle use.

98. The Panel gave consideration to the rates paid in other Surrey authorities and agreed to introduce a rate applicable to journeys made by cycle of 20p per mile.

99. The Panel also noted that the Scheme provides for reimbursement of subsistence expenses actually incurred in carrying out the Member's approved duties, subject to submission of receipts/invoices in support of claims, but that no such claims had been made during the past year.

RECOMMENDATION
The Panel recommends that the current arrangements for payment of travel and subsistence allowances be retained as at present but with the introduction of a cycle allowance of 20p per mile.

Approved Duties

100. The Panel undertook a review of the list of Approved Duties as part of the 2015/16 review of Members Allowances. The survey conducted last year indicated there was no general support for changes to the list of Approved Duties.

101. The Panel was not minded to make changes to the Approved Duties in 2015/16 Scheme other than to clarify the types of meetings which were not approved duties under the scheme. As the Council rejected the Panel's recommendations for 2015, the minor clarification to the list of Approved Duties has not yet been approved.

102. The Panel had regard to the responses to the Member Survey for 2016/17 in which 66.67% (58%) re-iterated last year's feedback that the current list of approved duties was 'about right'.

RECOMMENDATION

The Panel recommends for approval the minor clarification made to the original list of Approved Duties which was put before the Council in 2015/16[13].

[13] Proposed Scheme and List of Approved Duties shown at Annex 1

SUMMARY OF PANEL'S RECOMMENDATIONS

The Panel makes the following recommendations to the Council on the Members' Allowances Scheme for 2016-2017:

Allowance	Current amount for 2015/16	Number	Recommended Allowance for 2016/17	Recommended Allowance Calculation
Basic (BA):	**£3938**	**39**	**£4550**	**-**
Special Responsibility:				
Leader of the Council	**£9037**	**1**	**£9100**	**200% of BA**
Deputy Leader	**£6001**	**1**	**£6060**	**66% of Leader's Allowance**
Cabinet Members	**£3012**	**6**[1]	**£4550**	**50% of Leader's Allowance**
Planning Committee Chairman	**£3012**	**1**	**£3600**	**40% of Leader's Allowance**
Licensing Committee Chairman	**£3012**	**1**	**£3200**	**35% of Leader's Allowance**
Overview and Scrutiny Committee Chairman	**£3012**	**1**	**£3200**	**35% of Leader's Allowance**
Audit Committee Chairman	**£3012**	**1**	**£2500**	**25% of Leader's Allowance**
Opposition Group Leader	**£3012**	**1**	**£3100**	**-**
Co-Optees' Allowance	**£1000 (Chair)** **£500 (Vice-Chair)**	**1** **1**	**£1000 (Chair)** **£500 (Vice-Chair)**	**-**

[1] Based on the existing Cabinet and excluding the Leader and Deputy Leader

Allowance for expenditure incurred in relation to Approved Duties (Schedule 1 to Scheme)	Current amount for 2015/16	Recommended Allowance for 2016/17
Dependants' Carer's Allowance	Reimbursement of actual costs incurred	unchanged

Travelling and Subsistence Allowances		
Motor Mileage Allowance (per mile) Cars	Up to 999cc – 46.9p 1000cc – 1199cc – 52.2p 1200cc and over – 65p	unchanged
Motorcycles	24p	unchanged
Cycle	Nil	20p
Day Subsistence Allowance	Reimbursement of actual costs incurred	unchanged

Other Recommendations in relation to the Members' Allowances Scheme 2016/17

Page 8	The Panel recommends that no changes be made to the Scheme of Members' Allowances in relation to the rules on claiming Special Responsibility Allowances.
Page 13	The Panel makes no recommendation relating to the current IT allowance, but gives Council the option of recommending that the Panel consider subsuming the IT allowance into the basic allowance at the 2018 review of the Members' Allowances Scheme.
Page 15	The Panel recommends for approval the minor clarification made to the original list of Approved Duties which was put before the Council in 2015/16.

Douglas Robertson (Chairman)
Brian Smith
David Wight

4 April 2016