



REPORT OF THE

INDEPENDENT REMUNERATION PANEL

ON

THE MEMBERS' ALLOWANCES SCHEME 2023 - 2024

FOR

SPELTHORNE BOROUGH COUNCIL

October 2023

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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 has appointed the following persons to comprise the Panel:
Sir Ivan Lawrence KC (Chairman)
Mr. Colin Squire OBE
Ms. Alison Osmond
6. The members of the Panel have between them diverse experience in central Government, the law, local and national business, human resources and charity work.
7. The Panel is fully independent of the Council and is not fettered in any way from providing impartial enquiry, scrutiny, advice and recommendation.
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 Standards 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. Before the Panel arrived at its recommendations it determined that its deliberations should continue to be underpinned by the following principles, taking into account the current statutory provisions: -
- (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 Scheme¹ 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.²
12. The Panel aspires to a Scheme that is both fair to members and seen to be fair by council taxpayers.

¹Proposed Scheme payments for 2023 is attached at Appendix 1

²Rodney Brooke and Declan Hall, *Members' Remuneration: Models, Issues, Incentives and Barriers*. London: Communities and Local Government, 2007

Background

13. Council agreed at its annual meeting on 25 May 2023 to retain [the existing scheme \(for 2022-23\)](#) as an interim arrangement until it had received a recommendation from the Independent Remuneration Panel on the 2023-24 scheme. Any adjustments to the scheme, following the Panel's review, would be retrospectively applied with adjustments backdated as appropriate.
14. The total combined amount paid in basic allowances and special responsibility allowances during 2022/23 was £360,209.
15. The Panel met on 12 October 2023 to discuss the review for the 2023-2024 Scheme.
16. The Panel reviewed background information relevant to the coming years' Scheme to inform their deliberations, in particular:
 - relevant benchmarking information about members' allowances elsewhere in other Surrey district councils
 - the Council has previously supported the existing principle that any increases in the basic allowance should be linked to officer pay reviews
 - the Council's financial position, as reported to the [Corporate Policy and resources Committee at its meeting on 23 February 2023](#)
 - the frequency of substitutions on the Development Sub-Committee in light of the Council's request that the Panel consider whether to award a Special Responsibility Allowance to these substitutes.
 - the need to undertake a more comprehensive review of the Allowances Scheme commencing later in 2023, for implementation in April 2024.

Considerations and Recommendations

Basic Allowance

17. The Panel noted the statutory guidance it must pay regard to, that the authority's Scheme of allowances must include provision for a Basic Allowance, payable at an equal flat rate to all councillors.
18. The Panel compared Spelthorne's current Basic Allowance against the other Surrey Boroughs and Districts. Of those other Authorities, 8 out of 10 had already agreed their Schemes for 2023-24 so the benchmarking information was particularly relevant.
19. The Panel noted that Spelthorne would maintain its third place ranking in the 'league table' of Surrey authorities for at least the fifth year running, even if it recommended no increase on the 2022-23 Basic Allowance.

Basic allowances				
	2023/24	2022/23	% +/-	Notes
Elmbridge	5736.00	5326.00	107.70	Increases linked to staff pay award
Epsom and Ewell	4031.70	3914.27	103.00	Increases linked to staff pay award
Guildford	8348.00	7730.00	108.00	Increases linked to staff pay award
Mole Valley	5162.59	4793.01	107.70	Increases linked to staff pay award
Reigate and Banstead	5956.00	5783.00	102.99	Increase in line with Council Tax increase
Runnymede	5665.00	5500.00	103.00	Increases linked to staff pay award
Spelthorne	*6662.00	6531.00	102.00	Increases linked to staff pay award
Surrey Heath	5711.00	5288.00	108.00	Increases linked to staff pay award
Tandridge	4856.63	4446.00	109.00	Increases linked to staff pay award
Waverley	5609.10	5164.47	108.60	Increases linked to staff pay award
Woking	7380.00	7380.00	100.00	No change to allowances
Average change			106.40	

***IRP recommendations**

20. Although Spelthorne Borough Council's current level of Basic Allowance still compared favourably against the other Surrey authorities, the Panel agreed in view of the current economic situation, to recommend an increase which reflected the staff pay award for 2023-24. This would be both fair and reasonable and ensure that councillors continue to be sufficiently recompensed for undertaking their role.
21. The staff pay award for 2023-24 was agreed as a consolidated payment of £1925 per full time equivalent (FTE) to all scale points. A consolidated payment means that lower grades will receive a higher percentage increase (9.54% to the lowest scale point) gradually decreasing through the higher scales, for example, 6.52% for scale point 24 (Scale 5), 3.22% for scale point 49 (Scale SM2), 2.31% for scale point 64 (Group Head scale) and 1.47% for the top scale point 94.
22. The Panel considered that the role of a councillor was equivalent in terms of responsibility to that of a senior manager. The Panel noted advice from the Chief Accountant that the average pay increase across all senior managerial staff grades was 2%.
23. A 2% uplift applied to the Basic Allowance equates to a new allowance for 2023-2024 of £6662, maintaining Spelthorne's position compared to its Surrey counterparts.
24. In recommending this level of increase the Panel was mindful of the Council's financial situation and the challenging forecast deficits for the next three years.

RECOMMENDATION

The Panel recommends that the Basic Allowance payable to all members of Spelthorne Borough Council should be increased by reference to the average senior managerial staff pay increase for 2023-24 of 2%, resulting in an allowance of £6662.

Special Responsibility Allowances

25. A Special Responsibility Allowance (SRA) may be paid to recognize the significant additional time and responsibility that certain roles in the Council require of councillors, over and above the generally accepted duties of a councillor. The SRAs do not have to be the same across different roles.
26. The 2003 Regulations do not limit the number of SRAs which may be paid, nor do they prohibit the payment of more than one SRA allowance to any one Member. The Regulations specify the categories of role for which the Council may make provision to pay an SRA. The categories are:
 - acting as leader or deputy leader of a political group;
 - chairing meetings of a council committee or a sub-committee, or a joint committee of the council and one or more other authorities, or a sub-committee of such a joint committee;
 - representing the council at meetings of, or arranged by, any other body;
 - membership of a committee or a sub-committee of the council which meets with exceptional frequency or for exceptionally long periods;
 - acting as the spokesman of a political group on a committee or sub- committee;
 - membership of a committee that deals with licensing
 - such other activities in relation to the discharge of the council's functions as require of the Member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned above
27. The Panel noted that discussions were ongoing regarding potential changes to the number of Committees set up under the current governance structure at Spelthorne, however this review was only concerned with the current structure. At such time as the Council agrees any changes to its Committee arrangements, the Panel will review the effect of those changes on the roles for which a Special Responsibility Allowance is paid.
28. The Panel received benchmarking information about changes in SRA at other Surrey authorities in 2023. It noted that of the 10 Surrey authorities compared, 8 had increased their SRA payments in line with their staff pay award. The other two had made no change to the payments.

29. Spelthorne's current SRAs are set out below:

Leader of the Council and Chair of Policy and Resources Committee	£11000
Deputy Leader and Vice-Chair Policy and Resources Committee	£5500
Service Committee Chairs: Environment and Sustainability Community Wellbeing and Housing Economic Development Neighbourhood Services and Enforcement	£7700
Service Committee Vice-Chairs	£3850
Planning Committee Chair	£6600
Planning Committee Vice-Chair	£3300
Licensing Committee Chair	£5500
Licensing Committee Vice-Chair	£2750
Audit Committee Chair	£4400
Audit Committee Vice-Chair	£2200
Administrative Committee Chair	£2200
Administrative Committee Vice-Chair	£1100
Members of Development Sub-Committee	£2000
Co-optees' Allowance (Chair/Vice-Chair of Standards Committee)	£1500/£750
Independent Person on Audit	£500

30. The Panel agreed to recommend that the SRAs for 2023-2024 should be increased in line with the average senior managerial staff pay award. This would be at the same level as recommended for the Basic Allowance of 2%.

RECOMMENDATION

The Panel recommends that the Special Responsibility Allowances for the roles identified previously should be increased by reference to the average senior managerial staff pay increase for 2023-24 of 2%, resulting in payments as shown at Annex 1.

Development Sub-Committee Substitutes allowance

31. At the Panel's last review it was asked by Council to give consideration to a new SRA for Development Sub-Committee substitutes.

32. The Panel noted that no other Committee substitutes were entitled to an SRA and it was not minded to recommend an exception for the Development Sub-Committee substitutes at the 2022-23 review. However, it requested information on the frequency

with which substitutes were called to sit on the Sub-Committee to inform its review for the 2023-2024 Allowances Scheme.

33. The Panel noted the attendance of substitutes at the 14 meetings of the Development Sub-Committee held between 3 October 2022 and 3 July 2023. Out of the 11 possible substitutes (7 since May 2023), there had been 1 member substituting on three occasions, 2 on one occasion and 3 on one occasion.
34. The Panel noted that an SRA cannot be paid to a specific member, it is paid to a role e.g. a substitute member on the Development Sub-Committee.
35. The Panel recognised that as a substitute may be called upon to attend up to two hours before a meeting, a degree of preparatory reading was necessary, even if the substitute eventually did not attend. The Panel considered that the need for preparatory reading was an integral part of the role of a committee member or a substitute regardless of which Committee a councillor might be called upon to sit as a substitute.
36. The Panel was not minded to recommend an SRA for the Development Sub-Committee substitutes at this review, as there was no general need for an increase.

Other Allowances

37. Co-opted Members

The current Scheme pays an allowance of £1500 and £750 to the Chair and Vice-Chair respectively of the Standards Committee, both of whom are co-opted members.

38. There is also an allowance of £500 for the independent member of the Council's Audit Committee.
39. The frequency of these meetings for the 2023-24 municipal year has remained as it was in the 2022-23 municipal year.

RECOMMENDATION

The Panel recommends that no change be made to the current remuneration of £1500 and £750 for the Chair and Vice-Chair respectively, of the Standards Committee and £500 for the independent member of the Council's Audit Committee, on the basis there was no general need for any such change.

40. Dependents Carer's allowance

The current arrangements for the Dependents Carer's allowance provides for members to be reimbursed the actual costs incurred 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.

41. The Panel noted that only one councillor had claimed carer's allowance in 2022-23 for a total of £130.

RECOMMENDATION

The Panel recommends that no change be made to the current Scheme for Dependents Carer's allowance, on the basis there was no general need for any such change.

42. Travel and subsistence allowance

The current rates paid for travel and subsistence allowances reflect those available to Council officers and are paid when a member is undertaking an approved duty.

43. The list of approved duties has been updated to reflect the current outside bodies to whom the Council appoints and changes to the names of some of those organisations. The updated list is attached at Appendix 2.

44. The current mileage rates are set out below:

Cars	Per mile
up to 999cc	46.9p
1000cc - 1199cc	52.2p
1200cc and over	65p
Motorcycles	24p
Bicycles	20p

45. The subsistence allowance covers the actual expenditure incurred, subject to various measures set out in the allowances scheme.

46. The Panel noted that Spelthorne's travel allowances and permitted duties for which a claim can be made, are broadly the same as those of other Surrey districts and boroughs and reflect the HMRC approved rate in respect of motorcycles and bikes. The HMRC rate for cars of all engine sizes is 45p for the first 10,000 miles in the tax year. Spelthorne's rates are aligned with the amounts paid to staff.

47. The Panel noted that only 5 out of 39 councillors had made claims for travel and subsistence in 2022-23 at a total cost of £482.35.

RECOMMENDATION

The Panel recommends that the current arrangements for payment of travel and subsistence allowances be retained as at present, on the basis there was no general need for any such change.

SUMMARY OF PANEL'S RECOMMENDATIONS

The Panel makes the following recommendations to the Council on the Members' Allowances Scheme for 2023-2024:

Type of Allowance	Current Allowance	Recommended Allowance for 2023/2024	Number
Basic:	£6531	£6662	39
Special Responsibility:			
Leader of the Council and Chair of Policy & Resources Committee	£11000	£11220	1
Deputy Leader and Vice-Chair Policy & Resources Committee	£5500 (50% of Leader's allowance)	£5610	1
Service Committee Chairs: Environment and Sustainability Community Wellbeing and Housing Economic Development Neighbourhood and Enforcement	£7700 (70% of Leader's allowance)	£7850 (£31,400)	4
Planning Committee Chair	£6600 (60% of Leader's allowance)	£6730	1
Planning Committee Vice-Chair	£3300 (30% of Leader's allowance)	£3360	1
Licensing Committee Chair	£5500 (50% of Leader's allowance)	£5610	1
Licensing Committee Vice-Chair	£2750 (25% of Leader's allowance)	£2800	1
Audit Committee Chair	£4400 (40% of Leader's allowance)	£4490	1
Audit Committee Vice-Chair	£2200 (20% of Leader's allowance)	£2240	1
Service Committee Vice-Chairs	£3850 (35% of Leader's allowance)	£3930 (£15720)	4
Administrative Committee Chair	£2200 (20% of Leader's allowance)	£2240	1
Administrative Committee Vice-Chair	£1100 (10% of Leader's allowance)	£1120	1
Development Sub-Committee members	£2000	£2000 (£12,000)	6*
Co-optees' Allowance	£1500 (Chair) £750 (Vice-Chair)	No change	1 1
Independent Person on Audit	£500	No change	1
Total Budget	£360,209	£367,108	24 cllrs in receipt of SRAs

Due to the 'one SRA only' rule that Spelthorne subscribes to in its Member Allowances Scheme, 5 of the 11 members on this Sub-Committee are not entitled to claim this SRA.

Allowance for expenditure incurred in relation to Approved Duties (Schedule 1 to Scheme)	Unchanged allowances for 2023/234
Dependents Carer's Allowance	Reimbursement of actual costs incurred

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

Sir Ivan Lawrence KC (Chairman)
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October 2023