

**A REVIEW OF MEMBER ALLOWANCES FOR EPSOM AND
EWELL BOROUGH COUNCIL**

REPORT OF THE INDEPENDENT REMUNERATION PANEL

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14 April 2011

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Executive Summary

1. Under the Local Authorities (Members' Allowances)(England) Regulations 2003 ("the Regulations"), the Council is required to establish and maintain an Independent Remuneration Panel to make recommendations to it about the allowances to be paid to Members. Members of the Independent Remuneration Panel ("the Panel") were appointed by the Council in February 2011 following an open recruitment process. The Panel reported on 14 April 2011.
2. The Terms of Reference for the Panel were set as follows:

To review the Council's Members' ("Members") Allowances Scheme and make recommendations to the Council on an appropriate Scheme of Allowances. The recommendations should reflect the roles and responsibilities of Members, both in the Council and in serving their constituents and having regard to:

 - the political management structure implemented by the Council; and
 - comparative data on the allowances paid by other similar local authorities.
3. The Panel adopted a set of Guiding Principles to work from. Having reviewed the evidence base against the Guiding Principles, the Panel decided to:
 - take the opportunity to undertake a fresh and thorough review of the basis for the allowances scheme in the context of the Regulations and guidance, taking into account the circumstances specific to the local area;
 - seek and listen to views of a wide range of Members, both in writing and in person; and
 - compile methodologies to back up its reasoning and recommendations on Basic and Special Responsibility Allowances.
4. In designing the allowances scheme, the Panel noted that although the overall budget allocated to allowances for the coming year would remain unchanged, at £157,500; the decision on the overall budget for allowances is one for the Council.

Basic Allowance

5. In considering the level of the Basic Allowance, the Panel recognised that this allowance is intended to fulfil two functions:
 - to cover incidental costs such as the use of their homes for Council business; and
 - to recognise the time commitment of all Members, including such inevitable calls on their time at Council and other formal meetings, training/briefings, constituency work and attendance at political group meetings.
6. **The Panel recommends that the Basic Allowance should be set at £3,372.** This comprises:
 - £1,000 to cover the additional costs that Members may incur in the course of their business; and
 - £2,372 as recognition of the time commitment involved.

Special Responsibility Allowances (SRAs)

7. After reviewing the evidence of the time commitment and responsibility associated with each role, the Panel grouped the roles as below:
 - i. Level 1: Chair of Strategy and Resources Committee; Chair of Planning Committee.
 - ii. Level 2: Chair of Leisure Committee; Chair of Social Committee; Chair of Environment Committee; Chair of Scrutiny Committee.
 - iii. Level 3: Chair of Licensing Committee; Chair of Standards Committee; Chair of Health Liaison Panel; Chair of Human Resources Panel; Chair of Financial Policy Panel; Chair of Planning Policy Sub-Committee; Chair of Epsom and Walton Downs Conservators; Chair of Nonsuch JMC.
 - iv. Level 4: Independent members of Standards Committee; Members of Planning Committee.

8. The Panel recommends the following SRAs for additional roles:
 - i. Group Leaders: the Panel recommends that the Group Leaders receive a fixed allowance of £200 with an additional amount of £50 per group member.
 - ii. Deputy Mayor: the Panel recommends that the SRA be withdrawn from the post of the Deputy Mayor.
 - iii. Vice Chair of Planning Committee: the Panel recommends that the role of Vice Chair of Planning Committee should not attract an SRA.

9. The Panel recommends the following amounts for the SRAs, in accordance with the grouping above:

Role	Members	Amount (£)
Group Leader	Currently 3	£200 + £50 per group member
Chair of Strategy and Resources Committee	1	£2,360.40
Chair of Planning Committee	1	£2,360.40
Chair of Leisure Committee	1	£1,686.00
Chair of Social Committee	1	£1,686.00
Chair of Environment Committee	1	£1,686.00
Chair of Scrutiny Committee	1	£1,686.00
Chair of Licensing Committee	1	£1,011.60
Chair of Standards Committee	1	£1,011.60

Chair of Health Liaison Panel	1	£1,011.60
Chair of Human Resources Panel	1	£1,011.60
Chair of Financial Policy Panel	1	£1,011.60
Chair of Planning Policy Sub-Committee	1	£1,011.60
Chair of Epsom and Walton Downs Conservators	1	£1,011.60
Chair of Nonsuch JMC	1	£1,011.60
Independent members of Standards Committee (not including the Independent Chairman)	3	£337.20
Members of Planning Committee (not including the Chairman)	12	£337.20

10. The Panel recommends that individual Members are entitled to claim SRAs relating to any roles that they hold. This is with the exception of the Chairman of the Planning Committee and Independent Chairman of the Standards Committee, who shall not be entitled to claim the allowance for ordinary members of those committees in addition to the Chairman's allowance.

Other recommendations

11. The Panel also makes the following recommendations:

- i. that there should be no change to the current position on Travel and Subsistence allowances: i.e. travel expenses and subsistence will only be reimbursed for pre-approved attendance at conferences and seminars or other official Council business outside the Borough;
- ii. that the policy on Dependant Carers' Allowances be updated as set out in this report;
- iii. that allowances be indexed (the indexes used being the Consumer Prices Index and the National Minimum Wage (main rate for workers over age 21)), as set out in this report; and
- iv. that the current pension arrangements remain unchanged – i.e. that all Members are entitled to join the local government pension scheme, and that the Basic Allowance and Special Responsibility Allowances should be pensionable.

12. Finally, the Panel noted that the overall budget allocated to allowances for the coming year would remain unchanged, at £157,500 and that the decision on the overall budget for allowances is one for the Council.

Introduction

13. Under the Local Authorities (Members' Allowances)(England) Regulations 2003, the Council is required to establish and maintain an Independent Remuneration Panel to make recommendations to it about the allowances to be paid to Members. This includes recommendations about the level of Basic Allowance for all Members, the level of Special Responsibility Allowances and to whom they should be paid, and the level of other allowances such as Travel and Subsistence. Whilst it is ultimately for the Council to decide its allowances scheme, under the Regulations it must have regard to the advice of the Panel before making any changes.

Panel Members

14. Members of the Independent Remuneration Panel ("the Panel") were appointed by the Council following an open recruitment process¹, as follows:

- Mr Paul Hart (Chair), former Chief Executive of Doncaster Metropolitan Borough Council and Director of Corporate Services and Monitoring Officer for London Borough of Enfield;
- Mr Gurminder Bhachu, a civil servant specialising in central government debt and cash management;
- Mrs Sara Chapman, FCCA and Small Business Owner; and
- Ms Karina Singh, a senior civil servant specialising in tax issues.

15. The Panel was first convened on 22 February 2011 and delivered its report on 14 April 2011.

16. The Panel wishes to acknowledge the support provided by Ms. Fiona Cotter (Democratic Services Manager), Mr Simon Young (Head of Legal and Democratic Services), and other council officers who provided data on request from the Panel.

Scope of the Review

17. The Terms of Reference for the Panel were set as follows:

To review the Council's Members' ("Members") Allowances Scheme and make recommendations to the Council on an appropriate Scheme of Allowances. The recommendations should reflect the roles and responsibilities of Members, both in the Council and in serving their constituents and having regard to:

- *the political management structure implemented by the Council; and*
- *comparative data on the allowances paid by other similar local authorities*

¹ An advertisement was placed in the Epsom Guardian newspaper in October 2010.

18. Council officers advised that support provided to members in accordance with the Council's responsibilities under equality legislation was not within the scope of the review.

Guiding Principles

19. In undertaking its analysis, the Panel adapted the suggested principles for allowances schemes, as published in '*Members remuneration: models, issues and barriers*'². The principles that the Panel adopted are:

Box 1: Guiding principles in designing the allowances scheme

- The level of the Basic Allowance should not deter people from a wide range of backgrounds and with a wide range of skills to serve as local councillors.
- Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage.
- Members should also be appropriately compensated for their work and the compensation should have regard to the full range of commitment of their roles.
- The system should be transparent, and simple to operate and understand.
- The allowances scheme should be based on a clear methodology.

Sources of Information

20. The Panel made use of the following sources of information as part of its evidence base:

- Description of allowances and other funding support available to Members (Annex A);
- Results of a questionnaire sent to all Members (Annex B);
- Interviews with a selection of Members (it was agreed beforehand that no comments would be attributed to individual Members in this report);
- Separate representations received from Members;
- Comparative data on allowances across Surrey (Annex D); and
- Latest report of the previous Independent Remuneration Panel (June 2007).

Summary of Feedback Received

21. Written representations were invited and three members responded with comments and suggestions. A survey of all elected Members was also undertaken and 20 Members responded; this represents just over half of all Members. In addition, the Panel met with seven Members. The Members interviewed were partly selected due to their particular

² www.communities.gov.uk/documents/localgovernment/doc/594741.doc.

role, and partly selected at random, to ensure the Panel had detailed information from a representative group. A summary of the information received is set out below.

22. Generally, most members who responded felt that the current allowances do not fully compensate Members for the time they spend on Council business. This was especially so in the case of Members with certain special responsibilities, such as committee chairs and Group Leaders. However, Members also generally felt that the allowances are at an appropriate level, and that they do not discourage people from standing for election. A far greater factor is the time commitment, which impacts family life, being able to spend time with friends, and other activities. Some Members clearly felt that the work involved could be very rewarding.
23. It was apparent from survey responses and interviews that the level of work undertaken varies greatly between Members. The average time spent by Members on council business not related to special responsibilities is difficult to ascertain. It seems a range of 8 to 12 hours per week is a reasonable estimate.
24. One Member commented that he felt it was not fair to pay fixed allowances to Group Leaders, as the amount of work undertaken would vary according to the size of the group, and suggested that this be reflected in some way in the scheme.
25. There were mixed views in relation to current provision and proposals in relation to ICT support. However the provision of a separate telephone line is particularly valued by a number of Members; the reasons varied, but cost and impact on family life were key. In relation to the car parking pass which is provided, again, views were mixed. The ability to park at the Town Hall was considered essential by most Members, but the ability to park at other car parks when on Council business (including ward work and site visits) was also valued by some.
26. Most Members indicated that they spent time undertaking a similar range of activities. These include dealing with emails, telephone calls, and letters from electors and businesses; meeting people in the community (including ward surgeries); reading Council documents; preparing and submitting formal questions and motions for consideration by the Council; attending Council meetings; and travelling within the Borough related to Council activities.
27. The Panel would like to express its appreciation to all Members who responded to the survey and/or provided feedback in other forms.

Approach

28. In undertaking the review, the Panel quickly came to the view that the scope went beyond simple monetary comparisons with other authorities and that ancillary benefits, ICT support and an understanding of the structure of this particular authority and the work undertaken by its Members was required.
29. Having reviewed the evidence base against the Guiding Principles, the Panel decided to:
 - take the opportunity to undertake a fresh and thorough review of the basis for the allowances scheme in the context of the Regulations and guidance, taking into account the circumstances specific to the local area;
 - seek and listen to views of a wide range of Members, both in writing and in person; and

- compile methodologies to back up its reasoning and recommendations on Basic and Special Responsibility Allowances.

30. In designing the allowances scheme, the Panel worked from a “zero base”. Whilst it noted that the budget for the coming year was set on 15 February 2011 at £157,500, this has not prevented the Panel from recommending the level of allowances that it felt most appropriate. It has not prevented the Panel recommending a decrease or increase to an allowance, where it felt that any individual allowance was not set at the right level.

Basic Allowance

31. In considering the level of the Basic Allowance, the Panel recognised that this allowance is intended to fulfil two functions:

- to cover incidental costs such as the use of their homes for Council business³; and
- to recognise the time commitment of all Members, including such inevitable calls on their time at Council and other formal meetings, training/briefings, constituency work and attendance at political group meetings.

A. Incidental costs

32. The Panel noted that Members have certain services provided to them by the Council. These are set out at Annex A. Summarised briefly these are:

- use of the photocopying facilities in the Town Hall;
- use of Council accommodation for meetings;
- business cards and headed notepaper;
- provision of ICT, telephone lines and broadband⁴;
- printers and cartridges⁵;
- a car park permit which, when on Council business, allows Members to park free of charge in any of the Council’s car parks except the Ashley Centre car park;
- insurance cover for libel and slander and personal accident whilst on council business; and
- full reimbursement of approved training costs.

³ Statutory Guidance on the Regulations for Local Authority Allowances in England, ODPM July 2003.

⁴ It was found that, in response to individual Member requirements, the provision of these services is not uniform: 36 of 38 Members have a laptop, 17 have telephone lines and 31 have broadband provided by the Council.

⁵ This applies to 10 Members.

33. The Panel reviewed each of the ancillary benefits the Members received. This included the provision of free parking, where it considered the responses provided by the Members about how these are used and what would be the impact of their withdrawal (or restriction to the Town Hall car park only). Having taken account of all views and considered the impact of restricting the car park permit to use at the Town Hall only, the Panel came to the view that to do so would potentially incur additional costs and inconvenience to Members when they need to attend meetings at other council sites, e.g. Bourne Hall. The Panel also noted that some car parks are limited to two hour stays which would make it difficult for paying Members to attend meetings. In light of this the Panel recommends that the provision of car parking permits should remain unchanged, to be used by Members when on council business only.
34. The Panel also considered the provision of ICT to Members. The Panel was informed of recent proposals to change the way in which members receive ICT resources and support. It is understood that these proposals have not yet been considered in detail by the relevant committee and are therefore not finalised. The Panel has therefore assumed that the current level and method of provision will continue. The Panel would wish to consider the impact of any future changes, particularly if an ICT allowance is proposed to replace in whole or in part the current provision.
35. Having considered the evidence and views of Members, the Panel recommends that the ancillary benefits remain unchanged.
36. Having taken into account the ancillary benefits provided, the Panel then considered the type and extent of incidental costs that Members are expected to pay for out of the Basic Allowance. These include postage and correspondence, mobile phone costs, travelling to and from meetings, and stationery. In responding to the survey, some Members provided the Panel with a breakdown of some of the costs that they face. The Panel has considered these estimates in arriving at the recommended figure which would cover incidental expenses which Members might reasonably be expected incur – see Annex C.
37. The Panel recommends that Members should receive an allowance of £1,000 per annum to cover the incidental costs that they incur in the course of their business. This is intended to cover all incidental expenses with the exception of ICT provision, car parking in council car parks, training and special needs, for which separate arrangements apply.

B. Recognising time commitment

38. In assessing the second component of the Basic Allowance, the Panel referred to the Statutory Guidance which sets out the questions that a Panel might consider in arriving at the recommended Basic Allowance:

Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, councillors ought to be remunerated. It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained. The local authority may wish to agree a rate for remuneration.

39. With regard to the constitution of Epsom and Ewell Borough Council, the Panel noted that the councillors are described as volunteers⁶. As such, the Basic Allowance is not intended to be a financial incentive, but equally it should ensure that there is no disincentive to serving as a councillor for financial reasons, therefore helping to attract candidates from all sections of the community.
40. The Panel sought views from Members on whether they felt or had evidence that the current level of the Basic Allowance was a barrier to candidates from all sections of the community standing to be councillors. The overwhelming view was that the level of the allowance did not have a bearing on the decision to stand and that time commitment is more of a relevant factor.
41. Though a majority of current Members are either retired or self-employed, the Panel noted that the current set of Members brought with them different experiences, skills and backgrounds and as such should be fairly representative of the population of the Epsom and Ewell area. This was a view shared by Members who were interviewed by the Panel.
42. The Panel was of the view that the allowance is not intended to recognise the skills or expertise of Members, but is a token recognition of their time commitment in attending to council business. Based on this principle, the Panel considered various options for arriving at a rate at which Members should be remunerated. The Panel agreed that a simple, transparent and easy to understand hourly rate of remuneration would be the National Minimum Wage (main rate for workers over age 21) – currently £5.93 per hour. The Panel reviewed the evidence provided by the Members and officers on the average number of hours spend on council (non SRA-related) business and concluded that this was, on average, 10 hours per week, for a total of 40 weeks per year. The Panel then used these estimates to derive a figure for the component of the Basic Allowance relating to time commitment as follows:

$$\begin{aligned} & \text{(Hourly rate) x (Number of hours per week) x (Number of weeks per year)} \\ & = £5.93 \times (10 \text{ hours per week}) \times (40 \text{ weeks per year}) = £2,372. \end{aligned}$$

C. Total Basic Allowance

43. The Panel recommends that the total Basic Allowance be set as the sum of the components relating to incidental expenses and time commitment, as set out above: i.e. £1,000 plus £2,372 = **£3,372**.
44. In arriving at this figure, the Panel notes that Epsom and Ewell Members, compared with other councils in Surrey: serve the smallest average population of the public per council member⁷.

⁶ Epsom and Ewell Borough Council constitution (section 11.1).

⁷ See Annex D.

Special Responsibility Allowances

45. Special Responsibility Allowances (SRAs) are allowances which the Council may provide to Members who perform additional responsibilities over and above those covered by the Basic Allowance. Legislation (the Regulations) prescribes which roles are eligible for this allowance.
46. In councils operating “executive arrangements” allowances are payable to executive members, who generally exercise powers in their own right. Epsom and Ewell Borough Council does not have an Executive or Cabinet. It is what is known as a “fourth option” authority and continues to operate under a variation on the traditional committee system with committees and panels managed by chairmen and vice-chairmen elected at a meeting of the full Council.
47. In considering the issue of SRAs the Panel used the same Guiding Principles as applied to the Basic Allowance and also reiterated its view that the SRA is a token amount to recognise the extra responsibility, time commitment and incidental expenses of the Member in the relevant roles. It is not intended to remunerate fully for the skills or expertise or time required to take on these positions of responsibility.
48. The Panel carefully considered the evidence and views of the Members and information provided by officers to form a view on the extra responsibility and time commitment required to fulfil particular roles. The Panel’s approach in considering the rate for the SRA was, taking into account the evidence before it including the evidence from Members, to identify appropriate differentials between various roles, and group together roles that the Panel judged had similar levels of responsibility. A list of the roles considered, grouped into four ‘levels’, is set out below (see also the next paragraph which relates to the Group Leader roles).
- i. Level 1: Chair of Strategy and Resources Committee; Chair of Planning Committee.
 - ii. Level 2: Chair of Leisure Committee; Chair of Social Committee; Chair of Environment Committee; Chair of Scrutiny Committee.
 - iii. Level 3: Chair of Licensing Committee; Chair of Standards Committee; Chair of Health Liaison Panel; Chair of Human Resources Panel; Chair of Financial Policy Panel; Chair of Planning Policy Sub-Committee; Chair of Epsom and Walton Downs Conservators; Chair of Nonsuch JMC.
 - iv. Level 4: Independent members of Standards Committee; Members of Planning Committee.

Group Leaders

49. The Panel studied the role of Group Leaders, following an interview with the Majority Group Leader and written submissions and survey results from the Leaders of the two current minority groups and other Members.

50. Given the nature of the role of a Group Leader and taking into account feedback received from Members, the Panel is of the view that the SRA for a Group Leader should be related to the number of Members in the group, to reflect the time and complexity of harnessing and co-ordinating views. The Panel therefore considered the means by which it could reflect the amount of work needing to be undertaken by individual Group Leaders in the size of the SRA. Having considered a number of alternatives, the Panel came to a view that the best solution, both in terms of fairness and simplicity, would be for a Group Leader to receive a sum made up a fixed amount plus a nominal amount per group member.
51. **The Panel recommends that the Group Leaders receive a fixed sum of £200 with an additional amount of £50 per group member.** For the avoidance of doubt, a group in this context consists of 2 or more members; where Groups have fewer than 2 members, no SRA will be payable.

Withdrawal of SRA – Deputy Mayor

52. The Panel considered the roles and responsibilities of the Deputy Mayor, particularly in relation to the role of the Mayor. Officers advised the Panel that the size and use of the Mayoral allowance was not within its Terms of Reference, but any SRA for the Deputy Mayor was. The Panel received a number of representations from Members about civic functions, which is a separate matter for the Council. The Panel was of the view that the time commitment and level of additional responsibility for the post of Deputy Mayor was not onerous enough to warrant an SRA.
53. **The Panel recommends that the SRA be withdrawn from the post of the Deputy Mayor.**

Vice Chair of Planning Committee

54. The Panel compared the role of the Vice Chair of Planning Committee against the vice chair roles for other committees.
55. It is evident that the current Vice Chair of Planning Committee provides strong support to the Chair of Planning Committee and steps into the role occasionally as required. The Panel noted that the Vice Chair of Planning Committee usually (by convention) holds the post of Chair of Planning Policy Sub-Committee and is, under the current arrangements, also entitled to an SRA as an ordinary member of the Planning Committee.
56. The Panel considers that the role of Vice Chair of Planning Committee does not necessitate additional time commitment or responsibility over and above that of any other vice chair bearing in mind also that membership of Planning Committee is already recognised through the SRA scheme (see below).
57. **The Panel thus recommends that the role of Vice Chair of Planning Committee should not attract an SRA.**

Basis for calculating SRAs

58. In common with many of the councils in the South of England, and in keeping with the guiding principles of transparency and simplicity, the Panel recommends that the SRA be calculated as a multiplier of the Basic Allowance. The Panel recommends the SRAs be calculated as follows:

- Level 1: 70% of the Basic Allowance
- Level 2: 50% of the Basic Allowance
- Level 3: 30% of the Basic Allowance
- Level 4: 10% of the Basic Allowance

59. Taking into account the recommendations set out above, the Panel recommends the following scheme of SRAs.

Role	Members	Amount (£)
Group Leader	Currently 3	£200 + £50 per group member
Chair of Strategy and Resources Committee	1	£2,360.40
Chair of Planning Committee	1	£2,360.40
Chair of Leisure Committee	1	£1,686.00
Chair of Social Committee	1	£1,686.00
Chair of Environment Committee	1	£1,686.00
Chair of Scrutiny Committee	1	£1,686.00
Chair of Licensing Committee	1	£1,011.60
Chair of Standards Committee	1	£1,011.60
Chair of Health Liaison Panel	1	£1,011.60
Chair of Human Resources Panel	1	£1,011.60
Chair of Financial Policy Panel	1	£1,011.60
Chair of Planning Policy Sub-Committee	1	£1,011.60
Chair of Epsom and Walton Downs Conservators	1	£1,011.60
Chair of Nonsuch JMC ⁸	1	£1,011.60
Independent members of Standards Committee	3	£337.20
Members of Planning Committee	12	£337.20

⁸ Applicable when the post is held by an Epsom and Ewell Borough Council Member, usually in alternate years.

60. With regard to the number of SRAs that an individual Member can claim, the Panel reiterated its view that the SRA is intended to recognise the additional responsibility, time commitment and incidental expenses relating to the role. As such the Panel felt that there should be no limit within the scheme as to the number of SRAs that an individual Member can claim if (s)he is fulfilling the responsibilities of the role. This represents a change to the existing arrangements. Of course, the Panel recognises that there is a practical limit to the number of roles that can be undertaken by individual Members purely due to the additional time commitment.
61. **The Panel recommends that Members are entitled to claim SRAs relating to any roles that they hold. This is with the exception of the Chairman of the Planning Committee and Independent Chairman of the Standards Committee, who shall not be entitled to claim the allowance for ordinary members of those committees in addition to the Chairman's allowance.**

Travelling and Subsistence Allowances

62. The Basic and Special Responsibility Allowances have been calculated to include an element to cover travel within the Borough on constituency business.
63. Given Epsom and Ewell Borough Council's relatively small geographical area, **the Panel does not recommend any changes to the current position on Travel and Subsistence Allowances: i.e. travel expenses and subsistence will only be reimbursed for pre-approved attendance at conferences and seminars or other official Council business outside the Borough, where reimbursement will be at the officer rate up to a maximum allowed under the Inland Revenue scheme.**

Dependant Carers' Allowances

64. The current scheme of Members' allowances provides that a payment equivalent to the National Minimum Wage may be made to Members to cover childcare or dependant care. However, the Panel noted that the reimbursement scheme in relation to the Dependant Carers' Allowances (DCAs) is not set out clearly in the current guidance to Members. The Panel took the opportunity to undertake a fresh review of the policy on DCAs for Members.
65. DCAs are intended to help ensure that no Member should suffer unreasonable financial disadvantage on account of making arrangements for childcare or dependant care when carrying out approved official duties⁹ in his/her role as a councillor. The Panel considered its recommendations on DCA in that context, and came to the view that actual expenses should be payable (subject to limits) rather than the National Minimum Wage.

⁹ The list of approved duties, for which DCA is payable, is set out in legislation (the Regulations).

66. **The Panel recommends that the DCA scheme be updated as follows:**

- i. **actual expenses should be payable, subject to the provision of receipts and filling in of a claim form, in respect of childcare and other dependant care respectively; and**
- ii. **claims should not be payable in respect of carers in the same household. In addition, the rate payable to carers who are not in the same household as, but are family members of, the Member, should be at the National Minimum Wage.**

67. **The Panel also recommends that council officers maintain a claim form and a guidance note for the benefit of Members which sets out the policy for claiming DCAs.** The Panel would also alert officers to the requirement set out in the Regulations that the allowances scheme should specify a time limit for submitting a claim for a DCA payment.

68. The Panel considered whether a cap should be imposed on claims, having regard for example to average childcare costs in the Borough. However, this information is not readily available and the Panel agreed not to recommend imposition of a cap. This is on the understanding that the number and level of claims would be monitored and kept under review, with a possible reference back to the Panel at a later date.

Forgoing Allowances

69. Some Members commented that they felt the level of allowances to be too high. The Panel recognises the differences between individual Members in the time, effort and money spent on council business. Members are entitled by right to claim for allowances as set out in the scheme once approved. However, the Panel notes that Members may choose not to claim part or all of their allowances. The Panel feels that any such decision would be purely a personal one for individual Members. Expectation or pressure on an individual to forgo an allowance might have the unintended consequence of deterring otherwise skilled and motivated people from standing for election. The Panel recommends that the Council budgets on the basis that all allowances are taken up.

Indexation

70. The Panel has calculated the recommended Basic Allowance as the sum of two components - incidental costs incurred and recompense for time and effort.

71. **In respect of the Basic Allowance, the Panel recommends that the proportion of the allowance relating to incidental costs be indexed to the Consumer Prices Index (CPI)¹⁰, with no caps or floors. For the proportion of the allowance relating to time and effort, the Panel recommends that the hourly rate used be updated for changes to the National Minimum Wage (main rate for workers aged 21 or over).**

¹⁰ This is now the Government's preferred measure of inflation, and is increasingly replacing the Retail Prices Index (RPI) in the indexation, for example, of state benefits.

72. The Panel considers that it may be useful, for budgeting purposes, for the Council to be aware sufficiently early in the budget-setting process (on advice it assumed that October would be appropriate) of the level of change in allowances for the subsequent financial year. Therefore, **the Panel recommends that the CPI figure for September in any year is used to determine the level of increase to be applied with effect from the following May. The Panel further recommends that the National Minimum Wage used to calculate the time and effort component of the Basic Allowance also be updated with effect from May, using the minimum wage in force as at 1 October in the previous year¹¹.**
73. **The Panel recommends that, once the Basic Allowance has been recalculated each year to take account of indexation, SRAs should be recalculated with reference to the newly indexed Basic Allowance, using the multipliers specified in the SRA scheme (see paragraph 58).**

Pensions

74. The Panel notes the current position that all Members are entitled to join the Local Government Pension Scheme and that both Basic and Special Responsibility Allowances count as eligible earnings for the purpose of the scheme.
75. The Panel's view is that granting access to the pension scheme is intended to remove a potential barrier to service as a councillor, particularly relevant for councillors in employment who might devote a significant part of their working time to council duties.
76. **The Panel recommends that the current pension arrangements remain unchanged – i.e. that all Members are entitled to join the Local Government Pension Scheme, and that the Basic Allowance and Special Responsibility Allowances should be pensionable.**

Implementation

77. **The Panel recommends that the changes to the allowances scheme as approved by the Council should be implemented with effect from the first day of the month after their approval by the Council.**

Budgetary Impact

78. In designing the recommended allowances scheme the Panel noted that the overall budget allocated to allowances in 2011-12 would remain unchanged. The estimated cost of the recommended scheme is £155,151.60 (based on the current allocation of roles within the Council), compared with a full potential cost of £158,798.98 in 2010-11. It is outside the Panel's remit to seek to recommend an increase or decrease in the budget allocation for allowances, taking into account the economic or financial climate or for other reasons; this is a decision for the Council. However, **the Panel would recommend that, were the Council to decide to take a different view on the overall level of**

¹¹ The National Minimum Wage normally changes on 1 October each year.

allowances, the general approach set out in this report and relativities between the Basic Allowance and the Special Responsibility Allowances be maintained.

Conclusions

79. The Panel has undertaken a thorough review of the Member allowances scheme and has made a set of recommendations which it believes meets the Guiding Principles as set out in Box 1 (see paragraph 19). The Panel is available to provide any clarification and further independent advice to the Council or council officers which they may find useful.
80. **The Panel recommends that the allowances scheme be next reviewed in, at most, two years time.** The Panel also notes that, should the recommendation on indexation of allowances be accepted, or indeed another form of indexation be applied, the Regulations specify that the next review should be carried out within a maximum of four years.

ANNEX A: Description of Allowances and Other Funding Support Available to Members

Basic Allowance (currently £3,308.31 per annum)

1. The Basic Allowance is a flat-rate allowance intended to recognise the time commitment of all councillors including:
 - meetings in their constituencies;
 - meetings with council officers;
 - attendance at political group meetings; and
 - the incidental costs involved in conducting their role within the community (local Ward) and the council offices.
2. The following background information may be useful to the Panel in considering this allowance.

Meetings in their constituencies and attendance at political group meetings

3. Epsom and Ewell Borough Council is unique in that it is currently controlled by Residents' Association (RA) councillors. This means that the way business is conducted by these councillors may not necessarily conform to the accepted pattern associated with the mainstream political parties.
4. Certainly, Liberal Democrat members of this Council conform to a pattern of regular ward surgeries and street surgeries.
5. Individual RA councillors have different ways of communicating with their residents as do the minority of Conservative councillors ranging from advertising meetings to inviting individual contact by telephone or email.
6. Information regarding each individual councillor can be found on the Council's website at <http://www.epsom-ewell.gov.uk/EEBC/Council/Borough+Councillors.htm>.

Meetings with council officers

7. Part 5(c) of the Council's Constitution contains a protocol for managing Member/officer relations. The general presumption is that all Members may have access to officers but contact will vary depending on individual Members and the nature of their role.

Incidental costs involved in conducting their role within the community and in the council offices

Constituency correspondence

8. Members are expected to deal with their own correspondence.
9. Members may use a printer/photocopier in the Town Hall. It should only be used for council-related business.

Costs of ward surgeries

10. Members are entitled to use Council accommodation free of charge, subject to availability.

Postage

11. Members are expected to pay their own postage. Members regularly receive correspondence c/o the Town Hall. Until recently, the Council ran a weekly courier service to members; this has been discontinued. All post received for Members at the Town Hall is now posted out on a weekly basis. Agendas are available electronically but hard copies of all such paperwork is also produced and posted as and when necessary and the cost is met by the Council.

Stationery supplies

12. Members are expected to provide their own stationery. However, the Council currently provides business cards and headed note papers on request. This is because owing to economies of scale, the Council can procure these at preferential rates and no charge is made to Members for this service.
13. Councillors also have use of a photocopier (see above).

Computer hardware

14. Provision of this is not uniform. Currently, 36 of the 38 Members are provided with laptops by the Council.

Telephone call costs and internet access

15. When on Council premises, Members have access to a telephone in the Members' Room or the telephone located in the first floor lobby, from which internal and external telephone calls can be made.
16. Off-site, the situation is currently complicated. 17 of the 38 Members currently benefit from telephone lines installed by the Council; 31 Members currently also have council-installed broadband.
17. Councillors have access to a PC in the Members' Room.

Mobile phone provision

18. Mobile phones are not currently provided by the Council.

Printer cartridges

19. Again, the situation is currently complicated. Ten Members currently have printers provided by the Council and are therefore provided with printer cartridges.

Use of Council meeting rooms

20. Town Hall rooms will generally be made available free of hiring charges for meetings to discuss council business, subject to certain conditions. Charges will be made for political and other meetings not falling within the categories set out below:
 - public meetings called by the Council, or any two Members;
 - Group meetings (i.e. currently RA Group, Liberal Democrat Group or Conservative Group meetings);

- ward surgeries (which may also be held at other Council premises);
- committees/bodies to which a Council representative is appointed; and
- other meetings called by the Council.

21. Charges will be made at the current hourly rates, subject to an additional charge for the services of a support officer when their attendance is required solely for the hiring, to all other bookings including:

- ward meetings (i.e. AGMs, Committee meetings, etc.);
- political meetings (other than as prescribed in electoral legislation);
- public meetings which are called by organisations other than the Council; and
- committees/bodies on which Members may sit (or attend) but where they are not Council appointees.

Car parking

22. Members are issued with a permit which, when on Council business, allows them to park free of charge in any of the Council's car parks except the Ashley Centre car park.

Insurance cover

23. In carrying out their duties on the Council's behalf, Members' actions are covered by the Borough's existing insurance policies. In addition, Members are personally insured against proceedings for libel and slander, subject to a limit of £2 million. Similarly, a 'personal accident' policy for Members provides benefits up to a limit of £30,000 for injuries suffered whilst engaged on council business, the level of benefit being dependent upon the precise nature of the injury.

Clothing allowance

24. Members are not entitled to claim a clothing allowance. Civic robes worn at Council meetings and civic events are provided by the Council.

Reasonable attendance at meetings

25. The Basic Allowance is expected to cover a reasonable attendance as a committee member.

Participation in training and development opportunities provided

26. The Council has a separate Member training budget from which the cost of approved training is met, including travel to and from the event. However, it could be argued that the Basic Allowance recognises that councillors may need to take time off work to attend training events; in-house training is generally run in the evening in recognition of this.

Work associated with committee meetings

27. Members will need to prepare for meetings and take part in the routine monitoring of services and budgets as well as participation in performance management. The Basic Allowance is intended to cover this.

Special needs

28. The Basic Allowance is not intended to cover any special needs as, by definition, these may be very personal, and separate budgetary arrangements are currently in place.

ANNEX B: Questionnaire

Survey of Elected Members (March 2011)

Please PRINT name and position below (i.e. Committee Chairman, Group Leader or Ordinary Committee member)

All information will be treated in the strictest confidence and will be used solely for the purpose of reviewing the Members Allowances Scheme.

NAME:	POSITION:

The Independent Remuneration Panel is seeking as much information as possible in order to help it make a sound recommendation to the Council about the Councillors' Allowances Scheme. We should be grateful if you would complete the survey below and return it to **Fiona Cotter** by **Friday 11 March 2011**. Please complete as much or as little of the survey as you feel able.

Questions	Answers	
QUESTION 1		
On average, how many hours per week do you spend on Council business?		
	In total	
	On committee work	
	On ward/community work	
	If you are in receipt of a Special Responsibility Allowance, on “special responsibility” work	
	Other	
Please give examples of how this time is spent		
	In total	
	On committee work	
	On ward/community work	
	On “special responsibility” work (if you are in receipt of a Special Responsibility allowance)	
	Other Please also state whether you deem any of this “other” work a “special responsibility” for which you think an a Special Responsibility Allowance should be payable	

QUESTION 3		
What "out of pocket" expenses did you incur in the 2009/10 Municipal year as part of your council work?	Please give a figure (indicate whether this is an estimate or from records you have kept) and give an indication of the nature of the expenses incurred and/or items bought. Please provide as much detail as possible – use a separate sheet if necessary.	
QUESTION 4		
Do you avail yourself of other services including photocopying/postage/internet access at the Town Hall?		
QUESTION 5		
Please detail any costs that have not been paid/repaid by the Council		
What views do you have about costs you incur that are not paid/repaid by the Council?		

QUESTION 6		
In your opinion, do the current levels of allowances represent a barrier to new members joining the council, taking into account the recognition in the Council's constitution that councillors are volunteers?		
QUESTION 7		
At present the Council provides a car park pass to members for use in all the Council's car parks.		
	How often do you use this on Council business?	
	What would be the impact on you if the permit was restricted to the Town Hall car park only?	
	What would be the impact on you if a pass was not provided?	

QUESTION 8		
<p>At present a range of ICT support is available for members (for example computers, printers, internet access and telephone lines). Members have been consulted about proposals to withdraw the provision of I.T. equipment. The Independent Remuneration Panel will take the Council's decision on this element of member support into account in formulating its recommendations.</p>	<p>Are there any specific comments you wish to make on this topic?</p>	
	<p>In particular, please provide an explanation and estimate of what additional costs you think you would incur (over and above your normal household provision) if current support is removed</p>	
QUESTION 9		
<p>Are there any other benefits you receive as a councillor which you believe should be taken into account by the Independent Remuneration Panel when it considers what level of allowances it should recommend?</p>		
<p>Do you wish to make any general comments in relation to the level of allowances and/or matters for which an allowance is payable?</p>		

ANNEX C: Basic Allowance: Incidental Costs

1. The Panel received eight responses which set out an estimate for incidental costs incurred; some of these provided a breakdown by type of expense, and one reported that (s)he had maintained a spreadsheet record which gave a figure of £948 in incidental costs in the 2009-10 municipal year.
2. The Panel judged that it is very difficult to derive an estimate for the amount of incidental expenses that would be incurred by a 'typical' Member; indeed, these costs are likely to be highly variable, and this was evidenced in the survey responses. In line with the Guiding Principle that 'those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage', the Panel judged that a reasonable amount that would be intended cover all incidental expenses would be £1,000, derived as in the table below.

Expense type	Survey responses	Panel recommendation	Notes
Clothing		100	Additional wear & tear of formal wear was mentioned
Postage		150	
Stationery	50, 100	75	
Telephone	120, 300, 500	250	Includes calls from mobile phone
Heat & lighting	100	100	Additional to normal household use
Transport	150*, 250, 250	250	Includes petrol cost
Printer consumables	100	75	Ink cartridges and toner
		1000	

* this figure is provided by a councillor who said that (s)he cycles a lot

ANNEX D: Comparative Data Across Surrey Councils, August 2009

	Elmbridge	Epsom & Ewell	Guildford	Mole Valley	Reigate & Banstead	Runnymede	Spelthorne	Surrey Heath	Tandridge	Waverley	Woking
Basic Allowance	4,245	3,308	4,655	4,098	5,072	2,335	3,938	4,752	3,840	2,406	6,855
Executive Members											
Leader of the Council	12,000		4,896	6,500	12,590	4,670	9,037	12,948	2,789	6,156	
Deputy Leader of the Council			1,224		10,282	1,168	6,001		1,395	525	
Other Portfolio Holders / Executive Members	6,000		3,672	3,000	8,394		3,012	4,320		2,085	
Majority Group Leader or Chairman		827									
Chairmen of Committees											
Service/Policy		1,654				2,335			2,789		
Planning	5,000	1,654	3,672	2,400	4,842	4,086	3,012	3,456	2,789	783	
Planning Sub	3,590	827					3,012			783	
Overview & Scrutiny	6,000	1,654	3,060	2,500	2,813	2,335	3,012	3,456	2,789	2,085	
Licensing	4,075	1,654	3,060	250	937	2,335	3,012	3,456	2,789	1,563	
Licensing Sub						584					
Regulatory					937	1,168					
Co-opted Chairman of Standards	3,590	827	765	500	500	779	1,000		2,789	525	
Audit (if separate)							3,012			525	
Area Forums etc				200		584					
Other Chairmen		827		2,400					2,789		
Vice-Chairmen of Committees											
Service/Policy						2,720			1,395		
Planning	1,140	413				2,720		1,728	1,395	525	
Planning Sub	800									525	
Overview & Scrutiny	1,365					1,168		1,380	1,395	525	
Licensing	930					1,168		1,728	1,395	783	
Licensing Sub						292					
Regulatory						584					
Standards							500			264	

	Elmbridge	Epsom & Ewell	Guildford	Mole Valley	Reigate & Banstead	Runnymede	Spelthorne	Surrey Heath	Tandridge	Waverley	Woking
Other special allowances											
Members of Planning Committee		827			715	1,361			539		
Members of Licensing Committee											
Members of Corporate Management Committee						584					
Independent co-optees of Standards		413		400	500	292		1,728			343
Shadow Leader			3,672	3,500			3,012	4,320		4,098	
Deputy Leader				500							
Other Political Group Leaders		827	2,839	500		1,751		4,320			
Total expenditure on Members' Allowances excluding co-optees' allowances	368,610	152,660	281,971	208,868	411,500	159,600	209,200	267,220	225,800	182,461	246,780
Number of Members	60	38	48	41	51	42	39	40	42	57	36
Average payment per Member	6,144	4,017	5,874	5,094	8,069	3,800	5,364	6,681	5,376	3,201	6,855
Population	131,000	70,900	134,400	81,200	132,300	82,600	90,900	83,300	82,500	117,800	91,400
Area (hectares)	9,364	3,407	27,093	25,832	12,913	7,804	5,116	9,509	24,819	34,517	6,360