

SURREY COUNTY COUNCIL

Review of Members' Allowances for 2017-18

Report of the Independent Remuneration Panel

October 2017

Contents

1. EXECUTIVE SUMMARY	3
2. INTRODUCTION & CONTEXT	4
3. BASIC ALLOWANCE.....	5
4. SPECIAL RESPONSIBILITY ALLOWANCE.....	6
5. TRAVEL AND SUBSISTENCE	16
6. CHILDCARE AND CARE OF DEPENDENTS	16
7. BACKDATING AND INDEXATION	17
8. DIVERSITY	18
Appendix 1 – Terms of Reference.....	19
Appendix 2 – Methodology.....	20
Appendix 3 – Members’ Census.....	21

1. EXECUTIVE SUMMARY

- 1.1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, the County Council is required to establish and maintain an Independent Remuneration Panel (IRP, the Panel) to make recommendations to the Council about the allowances to be paid under its Scheme of Allowances. The Council established the current IRP in October 2016. This report contains the recommendations of the Panel which are summarised in Table 1.
- 1.2. Under the existing scheme 81 Members receive a basic allowance and there are 58 special responsibility allowances available. If all allowances were claimed in full the total cost is £1.55 million per year. The Panel's recommendations reduces the number of special responsibility allowances to 34, predominantly through the removal of a small allowance for Vice-Chairs of Committees, of which there are 20. The impact of these recommendations is to reduce the cost of members' allowances by £59,000 to £1.49 million, a reduction of 3.8 per cent. As part of this overall reduction, the value of special responsibility allowances reduces by 10.2 per cent.

Table 1: Summary of Recommendations

Type of Allowance	Existing Scheme	IRP Recommendation
Basic Allowance (81)	12,442.80	12,442.80
Leader	43,085.87	43,085.87
Deputy Leader	31,312.41	27,924.00
Chair of the Council	18,035.95	18,035.95
Vice-Chair of the Council	8,015.98	6,512.98
Cabinet Member (8)	22,544.93	24,402.00
Cabinet Associate (4)	12,524.96	0.00
Overview and Budget Scrutiny Committee	12,024.00	12,024.00
Select Committee Chair (5)	10,019.97	10,019.97
Planning and Regulatory Committee Chair	12,024.00	12,024.00
Audit and Governance Chair	9,017.97	10,019.97
Pension Fund Board Chair	8,015.98	10,019.97
Local and Joint Committee Chairs (11)	8,015.98	8,015.98
Vice-Chairs of Committees (20)	1,503.00	0.00
Opposition Leader	5,009.99 (x2)	12,024.00 (total)
Payments to political parties	170.34	170.34
Additional Allowances and Expenses		
Member of Adoption and Fostering Panel	1,002.00	1,002.00
Lead Member for Scrutiny of PCC	8,015.98	8,015.98
Co-optees Allowance	0.00	0.00
Travel and Subsistence	No changes to the existing scheme	
Childcare Allowance	£8/hour, no cap	£8/hour, no cap
Care of Dependents Allowance	£14.50/hour, no cap	£14.50/hour, no cap

2. INTRODUCTION & CONTEXT

- 2.1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, the County Council is required to establish and maintain an Independent Remuneration Panel (IRP) to make recommendations to the Council about the allowances to be paid under its Scheme of Allowances. The Panel will make recommendations to the authority about the allowances to be paid to Members. They will make recommendations about the level of basic allowance for all Members, the level of special responsibility allowances and to whom they should be paid, and whether dependents' carers' allowances, travel and subsistence allowances and co-optees allowance should be paid, and the levels of these allowances. Whilst it is ultimately for the County Council to decide its Scheme under the Regulations, it must have regard to the advice of the IRP before making any changes.
- 2.2. The current IRP was appointed in October 2016. The Panel consists of three members; Carol Deakins (Chair), Paul Eaves and Bryan Ingleby. Panel Members all live in Surrey, and are all independent of Surrey County Council and of any political party.
- 2.3. The last IRP report was published in April 2014. This review has therefore been taken against the background of something of a time lag since the last review but also in the context of challenging budgetary constraints.
- 2.4. In approaching this work, the Panel has observed a large number of Cabinet, Council and Committee meetings in order to understand the full range of the work that Members get involved in and the complexities and demands of that work. They have met with a wide range of SCC Members and Officials, and also with representatives from other County Councils (in particular representatives of other IRPs) across the South of England. The Panel conducted a census of Members' views and provided all Members with the opportunity to meet with them either in groups or individually. As with the previous report, the Panel have collected information about the allowance schemes of other Authorities. The Panel has looked critically at the methodology that was used by previous Panels.
- 2.5. The remainder of this report discharges our responsibilities under section 21 (1) of the Local Authorities (Members' Allowances) (England) Regulations 2003 with the exception of paras (f) and (g) which relate to pension entitlement. Under the Superannuation Act 1972, the payment of pensions to Members ceased from 4 May 2017. We have noted Members' concerns regarding the removal of the pension entitlement, and that the changes will reduce the level of taxpayer funded support that councillors receive. The Panel believes that changes to pension entitlement are a matter of Government Policy and outside the scope of this Report. Accordingly the Panel has not reflected changes in pension entitlement in its consideration of matters within its Terms of Reference (Appendix 1).
- 2.6. The Panel is grateful for the support provided by Democratic Services, most notably Bryan Searle and Vicky Hibbert. They provided a full induction, advice on Council business and governance, and strong logistical support including the administration of a Members' Census and the hosting of an IRP Regional Network. The Panel owes them its thanks.

3. BASIC ALLOWANCE

- 3.1. The Basic Allowance (£12,442.80 per annum in the existing Scheme) is paid to each Member of the Council. It is intended to recognise the time commitment of all Members, including calls on their time such as meetings with officers and constituents, attendance at political group meetings and incidental costs such as the use of their homes.
- 3.2. The rate of Basic Allowance was last increased on 1 April 2016. It was raised by 0.3 per cent in line with the rise in the Consumer Price Index (CPI) over the previous year.
- 3.3. The evidence collected by the Panel suggests that Members feel that the allowance is appropriate for a Council of this size. Many respondents to our census stated that they believed the basic allowance was satisfactory. The Panel's benchmarking showed that the basic allowance is one of the highest in the South-East region and in the top quartile for local authorities nationally¹. They therefore see no case for change at this point in time.
- 3.4. The Panel noted that the Council is moving towards a paperless working environment. This will require Members to use their home and mobile devices more extensively to conduct Council business. The Panel considered whether this would introduce additional cost burden on Members. The Panel concluded that it would be unlikely to introduce significant extra cost, as most Members are likely to have home computing and Wi-Fi facilities, and the Council would be providing mobile devices enabled with 3G. The Panel is not therefore recommending an uplift for the basic allowance in this regard, but notes that by exception additional costs could be claimed through the current expenses system.
- 3.5. The Panel is aware that CPI is running at 2.6 per cent (June 2017) but that with the Council's financial position meaning cuts to services for the citizens of Surrey, it would not be appropriate to apply a CPI uplift to this allowance. This view has been applied consistently to all those allowances which the Panel considers should be held at current levels.

The Panel recommends that the Basic Allowance is held at £12,442.80
--

¹ Where comparisons are made with other Local Authorities, data is correct as at June 2017. As other Local Authorities decide on changes to their Members' Allowances Schemes, rankings may change.

4. SPECIAL RESPONSIBILITY ALLOWANCE

Introduction

4.1. The Local Authorities (Members' Allowances) (England) Regulations 2003 allow for payment to be made to Members of the authority that have special responsibilities in relation to the discharge of the functions of the authority. It is the responsibility of the authority to make a scheme to provide for such payments. It is for the Independent Remuneration Panel to make recommendations to the authority as to which responsibilities or duties should attract a special responsibility allowance, and the amount of such allowances.

4.2. This part of the report sets out the Panel's recommendations accordingly.

Principles

4.3. In making its recommendations the Panel has had regard to the following:

- That allowances should be connected to the responsibilities and duties that a Member is required to discharge, not the role that a Member has;
- That the regulations require the responsibilities and duties to be special before it can be considered for a special responsibility allowance. The Panel has decided that it would be inappropriate to set a limit on the number of such allowances available. However, in 2015-16 a total of 58 Members out of 81 were eligible for a special responsibility allowance. The Panel considers that it is difficult to support such a high proportion, over 70 per cent, as special; and
- That many Councils apply a limit of one special responsibility allowance per Member. The Panel has decided not to recommend this, as to do so would potentially restrict the pool of talent available for an individual appointment.

COUNCIL LEADERSHIP

Chair of the Council

The Panel recommends that the allowance for the Chair is held at £18,035.95

4.4. The Chair both leads the Council at its meetings and represents the Council in an official capacity at official engagements. It is therefore appropriate that the allowance reflects both elements of the role, and is larger than that of a Committee Chair. The current allowance for the Chair is toward the higher end of comparable authorities, but the Panel feels that the allowance is a fair reflection of the role within Surrey, and recommends no change.

Vice-Chair of the Council

The panel recommends that the allowance for the Vice-Chair is reduced by £1,503 to £6,512.98

- 4.5. The Vice-Chair represents the Council at official engagements in support of the Chair or where the Chair is not available. The Vice-Chair would also assume the Chair's duties at meetings of the Council should the Chair be unavailable. The Panel has set out its view on the allowances paid to Vice-Chairs of committees at section 4.24 below. In line with that recommendation the Panel recommends that the fixed allowance for the Vice-Chair is reduced by £1,503.

LEADER / DEPUTY LEADER / CABINET POSTS

- 4.6. In reviewing the current Scheme provision for these allowances, the Panel has taken into account the allowances paid by other County Councils across the country, and in particular across the South-East as being a more directly comparable group. The Panel has not analysed unitary authorities or London Boroughs, as it felt that these were less comparable. The Panel has analysed the information in a number of ways:
- The absolute value of the allowances compared with authorities, taking into account the size and scale of the services provided;
 - The relative value of the allowances for Deputy Leader and Cabinet Member compared with the Leader's allowance; and
 - The relationship between the allowances for Leader, Deputy Leader and Cabinet Member and the equivalent Council officer posts.
- 4.7. The Panel has not performed any formal job evaluations. From observations of Council business and meetings with Council members, the Panel considers that the responsibilities of these positions are sufficiently unchanged that no such re-evaluation is necessary.

Absolute Value

- 4.8. The Panel's reference group is the 27 County Councils in England excluding unitary authorities and London boroughs. This group has a gross cost of services ranging from £0.67 billion to £2.21 billion.² Surrey places as the fourth largest in this group, behind Lancashire, Kent and Essex.
- 4.9. Under the existing scheme, the Leader receives the second largest allowance, behind Essex. The Deputy Leader also receives the second largest allowance, also behind Essex. Cabinet members receive the third largest allowance, behind Essex and Kent.
- 4.10. The Panel considers that this analysis shows that the current allowances take into account the size and scale of Surrey's activities, and that any additional complexities resulting from a South East location are already built in to the allowances.

² Data taken from the audited 2015-16 Statements of Accounts for each authority. Figures quoted are the gross cost of services. Not all authorities had published audited accounts for 2016-17 at the time of this report.

Relative Values

4.11. Under the existing scheme the Leader receives £43,086, the Deputy Leader £31,312 and a Cabinet Member £22,545. Thus, the Deputy Leader receives 73 per cent of the Leader's allowance and a Cabinet Member 52 per cent of the Leader's allowance.

4.12. Looking at the 26 authorities in our reference group (i.e. the 27 excluding Surrey) the average Leader's allowance is £31,198, the average Deputy Leader's allowance is £20,220 and the average Cabinet Member allowance is £17,670. On average, a Deputy Leader receives 65 per cent of a Leader's allowance and a Cabinet Member 57 per cent of a Leader's allowance.

4.13. This analysis would suggest that, compared with other authorities, the Deputy Leader receives a relatively large allowance and a Cabinet Member a relatively small allowance. If the national relative averages were applied in Surrey, the Deputy Leader would receive £27,924 (a drop of £3,388) and a Cabinet Member would receive £24,402 (an increase of £1,857).

4.14. This analysis is reproduced in the table below:

Table 2: Surrey allowances relative to other authorities

TOTALS - all councils excluding Surrey	Leader	Deputy Leader	Cabinet Member
Average Allowance	£31,198	£20,220	£17,670
Percentage of Leader's allowance		65%	57%
SURREY			
Allowance	£43,086	£31,312	£22,545
Percentage of Leader's allowance		73%	52%
SURREY - Adjusted to national average			
Allowance	£43,086	£27,924	£24,402
Percentage of Leader's allowance		65%	57%
Change in allowance		-£3,388	+£1,857

4.15. The Panel has considered whether there are any factors specific to Surrey that would support the Deputy Leader receiving more than the national average and Cabinet Members receiving a lower allowance than the national average, relative to the Leader's salary. From observations, meetings and analysis of Council business, the panel is not aware that significant specific factors exist. Accordingly the Panel concludes that:

- The absolute value of the Leader's allowance is in line with the size and scale of Surrey's business; and
- The relative value of the allowances for Deputy Leader and Cabinet Member should reflect the national averages

The panel recommends that the Leader's allowance is held at £43,086

The panel recommends that the Deputy Leader's allowance is reduced by £3,388 to £27,924

The panel recommends that a Cabinet Member's allowance is increased by £1,857 to £24,402

- 4.16. The Panel is conscious that, under generally accepted employment terms and conditions, where an employee's job is downgraded for salary purposes they are entitled to have their actual salary protected until such time as wage inflation causes the new baseline to exceed the current level. Under the same terms and conditions, should the identity of the person in that role change, the person newly appointed would take up post at the downgraded amount, corrected for any intervening uplifts. The Panel's job is to make a recommendation for the role, and has done so at 4.15 above. The Deputy Leader is not an employee and therefore the terms described in this paragraph would not formally apply. However, the Panel believes that should the Council decide that as a matter of equity it would be appropriate to apply those terms as if the current incumbent were an employee, that decision would not be inconsistent with the recommendation.
- 4.17. The Panel has also looked at how the allowances for these roles compares with equivalent officer posts. Under the current scheme the Leader receives 19 per cent of the Chief Executive's salary. The Deputy Leader receives 20 per cent of the Deputy CEO's salary and a Cabinet Member 17% of a strategic director's salary. These are broadly in line with percentages across the reference group, and the relativity between the roles suggests the data agree at a high level with the relative analysis above. However, the Panel is not using this data as the basis for any conclusions as the analysis is a function of the salaries of officers which is outside the scope of this report, and it would be inappropriate for the Panel to take a view on.

Cabinet Associates

- 4.18. Before the May 2017 Local Election, the Leader had appointed four Members to be Cabinet Associates, each receiving a special responsibility allowance of £12,524.96 for a total cost of just over £50,000. Article 6 of the Council Constitution (version approved on 7 Feb 2017) permits that "*other members may, from time to time, be designated by the Leader as Cabinet Associates.*"
- 4.19. The Constitution defines the role further: "*A Cabinet Associate will not be a member of the Cabinet and will not participate in Cabinet decision-making but may work closely with a Cabinet Member(s). He or she will not be a member of any select committee relating to the specific responsibilities of the Cabinet Member(s) he or she is assisting or any other area to which they are assigned, but will be able to serve on unrelated select committees. Cabinet Associates will not have delegated powers and will not be entitled to vote at Cabinet meetings.*"

- 4.20. The Panel has considered this definition and the associated job description. It is clearly a position that helps to support the Cabinet Members discharge their responsibilities. It is also good for succession planning as it exposes potential future Cabinet Members (from the current majority party) to Cabinet business. It is also undeniably a position that is time consuming.
- 4.21. The Panel has, however, considered two further aspects. The role of supporting Cabinet Members in a non-political manner effectively duplicates the role that officers of the council are employed to do, and the Panel does not consider political support to be relevant to this allowance (political support allowances are discussed at 4.34). Secondly, the role has no delegated responsibilities, and therefore in the opinion of the Panel does not meet the requirements to attract a special responsibility allowance.

The Panel recommends that the allowance for Cabinet Associates is removed

COUNCIL COMMITTEES

- 4.22. The current scheme provides for payments to the Chairs and Vice-Chairs of 20 Committees, being a total of 40 special responsibility allowances. Under the current scheme, the allowances for Chairs varies between committees, with the Vice-Chair allowance fixed at £1,503 for all committees.
- 4.23. The Panel agrees that the nature and responsibilities of the committees varies and that the allowances should reflect this. In table 3 below we set out our recommendations for the Chair's allowances compared with the current allowances, and the basis for our recommendations. Recommendations in Table 3 reflect the changes to the County Council's overview and scrutiny function; headings for each row reflect the post May 2017 arrangements.

Table 3: Recommended Committee Chair Allowances

Committee	Current Allowance £	Recommended allowance £
OVERVIEW AND SELECT COMMITTEES		
Overview and Budget Scrutiny Committee	12,024.00	12,024.00 (1)
Adults and Health Select Committee	10,019.97	10,019.97 (2)
Children and Education Select Committee	10,019.97	10,019.97 (2)
Environment and Infrastructure Select Committee	10,019.97	10,019.97 (2)
Communities Select Committee	10,019.97	10,019.97 (2)
Corporate Services Select Committee	10,019.97	10,019.97 (2)
STATUTORY COMMITTEES		
Planning and Regulatory Committee	12,024.00	12,024.00 (1)
Audit and Governance Committee	9,017.97	10,019.97 (3)
OTHER COMMITTEES		
Pension Fund Committee	8,015.98	10,019.97 (3)
Local Committees (9)	8,015.98	8,015.98 (4)
Joint Committees (2)	8,015.98	8,015.98 (4)
OTHER ROLES		
Lead Member for the Scrutiny of the Police and Crime Commissioner	8,015.98	8,015.98
Members of the Adoption and Fostering Panels	1,002.00	1,002.00
Co-Optees Allowances	0	0 (5)

Table Notes

1. The Panel agrees that the Chairs of the Overview and Budget Scrutiny Committee and Planning and Regulatory Committees should attract the largest allowances. This reflects the nature, extent and complexity of the duties that come with chairing those committees.
2. The Panel considers that the Chair’s allowances for presiding over the five Select Committees that support the Overview and Budget Scrutiny Committee are appropriate, and recommends no change.

The Panel is not recommending changes to the Chair’s allowances for the main overview committee and the supporting select committees, although the Panel notes that the arrangements have changed. Under the new arrangements, the select committees will meet less often than their predecessor scrutiny committees. It does not necessarily follow that the responsibility or time commitment is similarly reduced. **The Panel therefore recommends that the allowances are held at current levels, but that this is formally revisited in one year once the new arrangements have had a chance to bed in.**

3. The Panel is not convinced that there is a case for different allowances to be paid in respect of the Audit and Governance Committee and the Pension Fund Committee, when compared with the select committees. Having observed these committees and held discussions with Chairs and members, the Panel believes that the responsibilities discharged by these two committees are on a par with the five select committees that support the Overview and Budget Scrutiny Committee. Accordingly, the Panel recommends that the Chairs receive the same allowance of £10,019.97. This is a small increase but the Panel believes that this is fair and appropriate.
4. Local and Joint Committees are set up at the discretion of the Council under Article 9 of the County Constitution. Local committees have delegated executive and scrutiny powers as set out in the Constitution, with such powers restricted to the areas that they serve. The Council has made a considerable investment in local committees, with over £100,000 payable in members’ allowances in 2016-17, plus officer support and the other administrative costs of holding meetings. The Articles require the Leader/Cabinet to review the local committees annually; it is not clear how frequently this has been done or in what form. The Panel believes that there is merit in the Council assessing the value for money from the local and joint committees so that it can demonstrate the financial and non-financial returns from its considerable investment.
5. The Panel does not believe there is a case for introducing an allowance for Co-optee members of committees.

Vice-Chairs of Committees

4.24. The current scheme provides for an allowance of £1,503 to be payable to the 20 committee Vice-Chairs. The Panel has considered the responsibilities and duties of this role. Typically, a Vice-Chair is appointed to step into the role of the Chair should the Chair be unavailable. A Vice-Chair role is also one to facilitate the continuity of business in terms of succession planning. There is some additional time commitment over and above that of a committee member, in terms of attending agenda planning meetings and other pre-meetings.

4.25. The Panel does not, however, consider that the role of Vice-Chair brings with it sufficient additional responsibilities or duties over and above that of a committee member, such that the role might meet the Panel's interpretation of what constitutes a special responsibility. Accordingly, the Panel recommends that the special responsibility allowance for a Vice-Chair is removed.

Recommendations in respect of Committees

4.26. In summary, we make the following recommendations in terms of Committees.

The Panel recommends the allowances for Committee Chairs as set out in Table 3

The Panel recommends that the allowances for Vice-Chairs are removed

The Panel recommends that Council reviews the value for money obtained from local and joint committees so that it can demonstrate a return on its investment.

POLITICAL ALLOWANCES

Opposition Leaders

- 4.27. Opposition leaders receive an allowance to reflect their important democratic responsibility to hold the ruling leadership to account. The Panel considers this to be a significant responsibility and an important part of the scrutiny function. Accordingly, the Panel considers that the total allowances available to support this function should be on an equal level to the main scrutiny committee, the Overview and Budget Scrutiny Committee. The Panel has recommended that the Chair of this Committee receives £12,024.
- 4.28. In terms of how this is split, the Panel believes that the allowance should be proportional to the size of the group, thus providing for the largest allowance to be payable to the leader of the largest opposition group. Allowances should be paid to groups with three or more members.
- 4.29. Whilst this is an increase over the current scheme provision for opposition leaders (£5,009 each), the Panel feels that the opposition function carries the greatest responsibility in terms of scrutiny of the executive, and the allowances should reflect this.
- 4.30. The May 2017 Council has 20 opposition Members, comprised as follows:
- Surrey Opposition Forum: 10
 - Residents' Association and Independents: 9
 - Labour: 1
- 4.31. Applying the above principle to the total provision of £12,024, this would provide a special responsibility allowance of £6,328 to the leader of the Surrey Opposition Forum and £5,696 to the leader of the Residents' Association and Independents Group.

The Panel recommends that the total allowances payable to opposition group leaders is £12,024

The Panel recommends that the total allowance is divided proportionally according to the membership of the eligible groups. To be eligible, a group need to have three or more members. The elected May 2017 Council therefore provides for the following allowances:

Leader of the Surrey Opposition Forum: £6,328

Leader of the Residents' Association and Independents Group: £5,696

These allowances should be adjusted annually to reflect any changes in the composition of the opposition parties within the Council, and the total opposition leader allowance should track the allowance payable to the Chair of the Overview and Budget Scrutiny Committee.

Officers of Political Groups

- 4.32. The current scheme allows for payments to all political groups, at the rate of £170.34 per Member, to be distributed at each group Leader's discretion. The total amount payable in this manner in 2016-17 was £13,797.54 being the sum of the 81 per Member amounts. It is the expectation that these funds are used to pay for political positions such as whips within the group. However, it is not clear how these funds are distributed.
- 4.33. From a review of other authorities, such allowances are rare although they do exist. Where they do exist, one of two approaches are taken. Some authorities mirror the Surrey approach with a per member allowance. Others provide specific allowances for certain roles e.g. chief whip, deputy whip, opposition whip. Whilst a majority of schemes do not provide for allowances relating to officers of political groups, the Panel considers that there is an argument that, with a Council of 81 Members, the effective marshalling and administration of the political groups contributes to the effective running of the Council.
- 4.34. The actual use to which these allowances, which total £13,797 annually, is not prescribed by this Scheme and is at the discretion of the group Leaders. The Panel believes that the use of funds should be more transparent, and has made a recommendation below for an annual accounting of these funds by the group Leaders.

The Panel recommends that the current allowance is retained at £170.34 per Member.

The Panel recommends that each group is required to provide an annual accounting of the use of the monies, and to make this statement available to the Council within three months of the financial year end. Each statement should be signed personally by the group Leader that they take personal responsibility for the statement and provide verification as to the statement's accuracy.

5. TRAVEL AND SUBSISTENCE

- 5.1. The Panel did not find any strong evidence that the current basis of travel and subsistence allowances, linked to officer remuneration, should change. We noted that the majority of Members had a good understanding of what they can claim for. We suggest that, as a matter of good practice, the Council reviews its list of Approved Duties annually to improve clarity and publicises these afresh to members.

The Panel recommends that the current levels of compensation for Travel and Subsistence remain in line with the rates available to officers.

6. CHILDCARE AND CARE OF DEPENDENTS

- 6.1. Again, in the context of no strong evidence to the contrary, the Panel recommends that the current levels of remuneration for Childcare and Carers' Allowances remain unchanged.
- 6.2. The Panel were pleased to note that the existing scheme does not provide a cap on the amounts that can be claimed relating to child care and care of dependents, whilst attending approved duties. The Panel felt this supported the principle that Members should not be out of pocket in carrying out their duties and that it supported diversity, permitting those who have thought themselves excluded on the basis of the cost of care to consider standing for election.
- 6.3. The Panel did note that the historic levels of take up of Childcare and Carers' Allowances by Members has been low and we would recommend that Members do consider strongly making use of these allowances, if they are eligible. The Panel felt this would establish using Childcare and Carers' Allowances as the norm, again, promoting diversity.

The Panel recommends that the current levels of compensation for Childcare and Carers' Allowance remain unchanged.

The Panel recommends that Members do take up Childcare and Carers' Allowances where they qualify for them.

7. BACKDATING AND INDEXATION

BACKDATING

- 7.1. The Regulations allow the Panel to consider backdating any changes to allowances such that they apply from the beginning of the financial year.

The Panel recommends that where an allowance has been increased that it should be backdated to the date of the May 2017 Local Election.

The Panel recommends that all other changes to allowances should be implemented from the first day of the month immediately following the Council's agreement to the changes.

INDEXATION

- 7.2. The Regulations require the Panel to make recommendations as to whether indexation shall apply to each allowance.
- 7.3. This report has set out the recommendations for each allowance for 2017-18. The Panel has recommended that travel and subsistence allowances should change in line with rates available to officers. The Panel is not recommending any indexation changes to any other allowances at this point in time.

The Panel has recommended that there should be no change in the basic allowance for 2017-18. However, given the changing landscape the Panel would wish to keep this under review for future financial years.

The Panel has in a number of further areas noted the benefits of reviewing the impact of changes to the Council structures and Panel recommendations in a year's time. The Panel therefore recommends that it reconvenes in summer 2018 to revisit its report and recommendations, most notably the issues of indexation and the operation of the new select committee structure.

8. DIVERSITY

- 8.1. As part of their Terms of Reference the Panel are required to have particular regard to the need for the composition of the Council to better reflect the population of Surrey.
- 8.2. The Panel very much support the need to increase the diversity of the Council, but Members are elected by the people of Surrey and should be for the political parties to ensure that the diversity of the population is reflected in the candidates that they select. It should be for the parties to attract talent from as wide a range of people as possible.
- 8.3. The Council should not lose sight of the need for allowances to enable people to take on the role without undue cost or hardship. The Basic Allowance would not be sufficient in itself to be the prime income for a family.

Appendix 1 – Terms of Reference

INDEPENDENT REMUNERATION PANEL

1. To review the County Council's Members' Allowances Scheme, taking into account the roles and responsibilities of Members (both in the Council and in serving their communities) set out in the County Council's agreed role profiles. The Panel will particularly have regard to:
 - a. comparative data on the allowances paid by other similar local authorities; and
 - b. the need for the composition of the Council to better reflect the population of Surrey.
2. To make recommendations to the Council on:
 - a. the amount of Basic Allowance which should be paid to all Members;
 - b. the responsibilities or duties for which Members should receive Special Responsibility Allowances and the amount of such allowances;
 - c. the amount of the Childcare and Dependants' Carers' Allowances;
 - d. Travelling and Subsistence Allowances;
 - e. Co-optees' Allowances;
 - f. whether payment of allowances should be backdated to the beginning of the financial year;
 - g. whether any allowances should be withheld if a Member is wholly or partially suspended;
 - h. whether adjustments to the level of allowances should be determined according to an index, and if so, which index and how long that index should apply.

Appendix 2 – Methodology

The Panel has ensured it has gathered and considered a wide range of evidence as part of producing this Report. In particular, the methodology used has included the following:

Desk Research

- Previous IRP Reports for Surrey County Council;
- IRP Reports for other authorities;
- Council and Committee meeting papers; and
- Benchmarking data from other authorities

Primary Research

- Statistical analysis of the allowances for 27 county authorities in England;
- Observation of Council and Committee meetings, both in person and observing public transmissions. Meetings observed includes the Council, the Cabinet, the Council Overview Board, Planning and Regulatory Committee, Resident Experience Board, Audit and Governance Committee, Surrey Pension Fund Committee, and others;
- Observation of the Local Committees where each panel member lives;
- Interviews with senior officers, including the Chief Executive and the Director of Legal, Democratic Services and Culture (Monitoring Officer);
- Interviews with Council Leadership, including the Chair, Leader and Deputy Leader;
- Interviews with Opposition Group Leaders;
- Interviews and informal discussion with committee chairs and committee members;
- Conducting a Census of all Members, seeking their views about remuneration;
- Holding following up interviews with all Members who wished to following the Census; and
- Hosting a Regional Network meeting of other authorities' IRP members and associated officers

In addition to attending Council and Committee meetings, the Panel met a total of thirteen times to facilitate the interviews noted above, to deliberate its findings, and to prepare this Report. Panel members estimate they have each committed between 100 and 150 hours of time to this work.

Appendix 3 – Members’ Census

As part of our evidence gathering, we invited all members to complete a short paper based questionnaire and return it to us, anonymously if they preferred within a couple of weeks.

The questionnaire focussed on issues relating to SCC’s remuneration of members. It also asked the members if they would like to meet a member of the panel to discuss any issues they felt relevant.

The results from this census are not being published as they are not statistically significant given the level of response was relatively low (33 responses) and therefore they cannot be said to represent the views of members as a whole. The panel remains grateful to those members that took the trouble to complete and return the questionnaires since the contents of these questionnaires were used as indicators of areas for further enquiry by the panel which otherwise may have been missed.

Areas highlighted by the census exercise included;

- Perceived number of hours worked by members and how that work is distributed
- The differing roles of members and their responsibilities
- Opinions about the various levels of remuneration for different roles
- The influence remuneration had on deciding to become a member
- The uptake of Carers Allowance
- How members perceived their role in relation to other paid roles

This page is intentionally left blank