

SURREY COUNTY COUNCIL

Review of Members' Allowances for 2018-19

**Report of the Independent
Remuneration Panel –
Carol Deakins (Chair), Paul Eaves and
Bryan Ingleby.**

May 2018

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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.
- 1.2. The Council considered the IRP's report at its October 2017 meeting and agreed the Scheme of Members' Allowances for 2017-18. At the meeting, the Council asked the IRP to revisit a number of areas as part of its next report. This report addresses those areas as well as considering indexation of existing allowances. It has been produced quickly in order to align IRP reports with the Council's annual reporting cycle and is not therefore a full re-evaluation and assessment of all existing allowances.
- 1.3. The IRP has come to the following conclusions:
 - The Basic Allowance for 2018-19 should be increased in line with the average salary increases agreed for Surrey County Council Officers (**Section 3**). All Special Responsibility Allowances should be uplifted by the same percentage. At the time of this report the exact percentage has not been formally agreed;
 - The IRP recommends that the Special Responsibility Allowance (SRA) for scrutiny of the Police and Crime Commissioner is abolished, and the concept of a 'Lead Member' abandoned (**Section 4**). In its place, we recommend that the County Council uses its powers under the Police Reform and Social Responsibility Act 2011 to introduce a separate scheme of allowances for the scrutiny of the Police and Crime Commissioner;
 - The Panel recommends a change to the allowances for adoption and fostering panels for 2018-19 (**Section 5**) to £100 per session attended. The Panel noted that the existence of a fixed allowance regardless of workload or contribution for this work was out of line with the basis for remuneration of other panel members within Surrey; and
 - There is no case for the reinstatement of allowances for Vice-Chairs of Committees (**Section 6**).

2. INTRODUCTION

- 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 about the level of Basic Allowance for all Members, the level of Special Responsibility Allowances and for what roles 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, have no connections with Surrey County Council and are independent of any political party.
- 2.3. The last IRP report was published and considered by the Council at its October 2017 meeting. In approving the Members' Scheme of Allowances for 2017-18, the Council asked the IRP to revisit some of the areas included within the October 2017 report as part of its next reporting cycle.
 - the role and allowance for the Lead Member on the Surrey Police and Crime Panel;
 - the SRA for the members of Adoption and Fostering Panels;
 - the allowances for the Vice-Chairs of select and regulatory Committees against the benchmark of the other County Councils; and
 - the Joint/Local Committee Vice-Chairs role.
- 2.4. The IRP has also taken the opportunity to consider whether the basic and special responsibility allowances for 2017-18 should be uplifted, and if so on what basis.
- 2.5. This report addresses the areas in paragraphs 2.3 and 2.4 above. The Panel has produced this report quickly in order to align reporting with the Council's annual reporting cycle, and in particular so that it can be considered at the May Annual General Meeting. Accordingly, The Panel has not performed a detailed reassessment of the Basic Allowance and all SRAs, but will return to this in a future report.
- 2.6. The Panel was grateful for the support provided by Bryan Searle, Vicky Hibbert and their colleagues in Democratic Services.

3. INDEXATION

- 3.1. The Basic Allowance (currently £12,442.80) has not been increased since 2016-17. It was the recommendation of this IRP that the allowance for 2017-18 was not increased as a reflection of the financial context for both the Council and for those that live in Surrey.
- 3.2. The Panel has considered whether the basic allowance should be increased for 2018-19. General increases in the cost of living erode the value of any remuneration which does not keep pace with those increases; a situation which many people have experienced in recent years. The Panel is mindful that the basic allowance should be set at a level which does not deter those who might seek office. Accordingly, The Panel has concluded that it would be unfair for the freeze on the basic allowance to continue.
- 3.3. The Panel considered a number of options on which to base an increase, including inflation and earnings measures. The Panel concluded that the most appropriate basis would be to match the increase to those available to officers.

The Panel recommends that the Basic Allowance is increased for 2018-19 by a percentage equal to the average percentage increase received by officers in 2018-19

- 3.4. At the time of writing this report that percentage is not known but based on recent years is likely to be between 1 and 2 per cent. The increase, once known, should be backdated to the May AGM date.
- 3.5. The Panel believes that the same principle should apply to all Special Responsibility Allowances.

The Panel recommends that all Special Responsibility Allowances are increased for 2018-19 on the same basis that the Basic Allowance is increased

4. SCRUTINY OF THE POLICE AND CRIME COMMISSIONER

The Current Situation

- 4.1. Scrutiny of the Police and Crime Commissioner is conducted by the Police and Crime Panel (The Panel). Police and Crime Panels were established by Schedule 6 of the Police Reform and Social Responsibility Act 2011, which states that:
 - The local authority...must establish and maintain a police and crime panel, and make The Panel arrangements for the police and crime panel (Sched 6 Part 2 para 3.2); and
 - The Panel arrangements may make provision about the payment of allowances to members of the police and crime panel (Sched 6 Part 4 para 28).
- 4.2. Membership of The Panel is also specified in the legislation and must include a single County Council representative, a single representative from each District and Borough Council within Surrey, and may include a small number of independent members.
- 4.3. The Panel elects its Chair and Vice-Chair through an election of the members of The Panel. All members of The Panel are eligible to put themselves forward for election regardless of which organisation they are representing.
- 4.4. Up to and including 2016-17 the Chair was the County Council representative and the Vice-Chair was the Tandridge District Council representative. In 2017-18 the Chair stepped down as she was no longer a Councillor. The Tandridge representative has been elected Chair of The Panel, and the new County Council representative has been elected Vice-Chair.
- 4.5. As hosts of The Panel, Surrey County Council receives funding from the Home Office to cover the costs of The Panel, to include accommodation costs, officer support, allowances and expenses, and other administration costs. In 2017-18 this budget was £66,000.
- 4.6. When The Panel was first constituted the members of The Panel agreed collectively that they would not receive allowances for their contribution.

The Special Responsibility Allowance

- 4.7. With the decision that Police and Crime Panel members would not receive allowances for their contribution, a Special Responsibility Allowance (SRA) was created by Surrey County Council under the Local Authorities (Members' Allowances) (England) Regulations 2003. We have been told that this was done deliberately to ensure that the Surrey County Council representative could receive an allowance.
- 4.8. The SRA is attached to a role described as the 'Lead Member' for scrutiny of the Police and Crime Commissioner. This is not a role recognised by the Police and Crime Panel, which has

a Chair, Vice-Chair and members. The Surrey County Council Constitution contains a role description for the 'Lead Member' which suggests that the 'Lead Member' would have a chairing role within the Police and Crime Panel. However, the identity of the Chair is determined by the Police and Crime Panel members and not the County Council, so this job description does not reflect how the Police and Crime Panel is constituted to operate.

- 4.9. In their report of April 2014, the previous IRP recommended an SRA for the Lead Member of £7,827. In May 2014 the County Council accepted this recommendation and attached a value of £8,000 for the role. This amount has increased marginally through indexation in the intervening years and currently sits at £8,015.98.
- 4.10. As the SRA is made under the Local Authorities (Members' Allowances) (England) Regulations 2003, it may only be received by the County Council representative.
- 4.11. Up to and including 2016-17 the Police and Crime Panel was chaired by the County Council representative and the SRA was paid to that individual. In 2017-18 the County Council representative is the Vice-Chair of The Panel, and is not receiving the SRA.
- 4.12. For clarification, the current Chair of The Panel is not receiving an allowance, as a) they are not a County Councillor and therefore ineligible to be considered the 'Lead Member' and b) the decision of The Panel that no allowances would be taken for Police and Crime Panel work is still extant.

Conclusions of the Independent Remuneration Panel (IRP)

4.13. The IRP, in reviewing this situation, concludes the following:

4.14. The existence of a Special Responsibility Allowance relating to scrutiny of the Police and Crime Commissioner is unnecessary. It is clear that the Police Reform and Social Responsibility Act 2011 provides Surrey County Council with the powers to determine what allowances are to be made available to members of the Police and Crime Panel, and that a Home Office budget is available to support the payment of allowances. The IRP exists to discharge responsibilities under different legislation, the Local Authorities (Members' Allowances) (England) Regulations 2003. Surrey County Council can therefore exercise its powers under the Police Reform and Social Responsibility Act 2011 without regard to the IRP. Indeed, the existence of an SRA constrains the ability of Surrey County Council to act, as no changes to allowances made under Members' Allowances regulations can be made without prior IRP recommendation.

4.15. The concept of the 'Lead Member' is flawed, as the associated SRA cannot be applied in a fair and equitable manner. There are a number of structural difficulties with the SRA as it currently stands:

- As an allowance made under the Members' Allowances regulations, it can only be paid to a County Councillor. Accordingly, the previous Chair of The Panel received £8,015.98 per year for their role. The current Chair of The Panel receives nothing and is ineligible for the allowance, despite performing the same role as the previous Chair.

- The SRA circumvents the original decision of the Police and Crime Panel members not to receive payment for their contribution.
- In principle, SRAs should be payable for specified roles which are under the control of the County Council leadership. The County Council has no influence over who is the Chair of The Panel. It can only appoint its representative, not their role. The IRP does not consider it appropriate that SRAs are payable based on third party decisions outside of the control of the Council.

4.16. The key concern of the IRP is the first bullet point of paragraph 4.15. The current regime introduces a structural inequality into the allowances available. We are in the situation where successive individuals are performing the same role but subject to discriminatory remuneration. We understand the genesis of the SRA, but should the Police and Crime Panel members feel collectively that they do not wish to be remunerated for their role we believe that is their decision and should be respected; the introduction of a different allowance to circumvent that decision and allow an individual to be paid has created an inequality that this IRP believes should not persist.

4.17. **There are two potential solutions to address the problem:**

- All Surrey Councils, whether County, District or Borough, take a consistent approach and specify that the Chair of the Police and Crime Panel will receive an allowance of £8,015.98, payable from an individual Council's allowances budget when their representative has been elected by the Chair; or
- Use the powers in the Police Reform and Social Responsibility Act 2011 to set up a separate scheme of allowances for Police and Crime Panel contribution.

<p>The IRP recommends strongly that the second option is adopted.</p>
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4.18. In dismissing the first option, the IRP notes that this solution would require each IRP of each individual Council to agree; this may be difficult in practice to achieve as individual IRPs may feel that their independence was being compromised. It would also place a financial burden on each Council and may make Police and Crime Panel members less likely to put themselves forward as Chair.

4.19. In recommending the second option, the IRP notes that the powers have been provided by Parliament and hence there is little justification for not respecting them. Adopting this option would have the benefit of removing these allowances from the Members' Allowances regime, allowing the County Council to regain full control over them as they would no longer be subject to IRP recommendation. Finally, and most importantly, this would result in a transparent, fair and equitable arrangement.

The IRP recommends that the SRA for scrutiny of the Police and Crime Commissioner is abolished, and the concept of a 'Lead Member' abandoned.

In its place, we recommend that the County Council uses its powers under the Police Reform and Social Responsibility Act 2011 to introduce a scheme of allowances for the scrutiny of the Police and Crime Commissioner.

4.20. It would be for the County Council and the Police and Crime Panel to agree how such a scheme would be introduced and operated. Our conclusions and recommendations are designed to ensure fairness and equality. They are not a comment on the work of the Police and Crime Panel. Given the workload and responsibility of The Panel it is the IRP's opinion that the payment of allowances under the appropriate legislation would be entirely supportable. For example, a scheme allowing for a payment of £8,015.98 funded from the Home Office budget and made under the 2011 Act to the Chair, regardless of which type of Councillor they are, would seem logical. But this decision is outside the remit of the IRP.

5.SRA FOR FOSTERING AND ADOPTION PANELS

Introduction

- 5.1. At the Council meeting on 10 October 2017, Councillors asked the IRP to look, in detail, at the allowances paid to Councillors for sitting on Fostering and Adoption Panels. This part of the report sets out The Panel's findings and recommendations.

Roles

- 5.2. The IRP recognise that there are a number of roles that sit on Adoption and Fostering Panels such as the Chair, independent members and social workers. When considering the role and value that Councillors contribute to these panels it was agreed by The Panel that the role of the Independent Panel members who each have some relevant experience or expertise was the nearest comparator to that of the Councillors, although Councillors may not have the same level or type of experience or expertise.
- 5.3. Councillors are not required by law to sit on Fostering or Adoption Panels and, currently, there is no Councillor who sits on the Adoption Panel - this has been the case for several months.
- 5.4. In addition, one Councillor mentioned that she would be the target demographic for both the recruitment of social workers and those seeking to foster bringing a different perspective to The Panel.
- 5.5. Councillors also felt that their presence on The Panels often ensured a level of scrutiny not available via other channels and they brought a strategic context and a different perspective from the specialists who sit on The Panels. Other respondents were less clear as to the value that Councillors brought to The Panels.

Workload

- 5.6. There are four fostering panels. Each meet, on average, once a month. Sessions vary in length but typically last around 5 hours.
- 5.7. The Adoption Panel meets, depending on demand, approximately once every 2 weeks. Sessions vary in length but typically last around 4 hours.
- 5.8. In addition to the above, all panel members have to receive training to stay abreast with changes in legislation and guidance and panel members have a large amount of case materials to read in a short timescale, near to the time of the meeting, in case of updates. Councillors reported this reading can take many hours, for example three or four cases may mean five hours reading time.
- 5.9. Councillors also reported that following up of queries and actions resulting from panel sessions could take many hours.
- 5.10. The Panel recognised the significant workload that Councillors and other adoption and fostering panel members deal with in discharging their duties including the emotional toll that serving on a panel can take - given that some of the materials presented to panels can be less than pleasant.
- 5.11. The IRP found that many authorities do not have Members sitting on adoption or fostering panels, partially due to following of guidance recommending that adoption and fostering Panels remain small so not to intimidate those facing these panels, and that other ways for Members to experience service delivery directly and improve their governance were found.
- 5.12. Members who sat on panels reported that they got a lot of value from the experience as it provided direct experience of front line delivery and the opportunity to exercise good governance.

Remuneration

5.13. Fostering Panel members receive the following;

PANEL ROLE	REMUNERATION
Independent Panel Chair	£400 per panel £27.82 per hour of admin £15 per hour of travel time £0.45 per mile
Care Experienced Panel Members	Paid £100 per panel
Panel Members	£12.50 per hour of attendance £20 for 1 hour of reading per panel.

5.14. Independent Adoption Panel members receive a £100 flat fee per session plus travel expenses and no reading allowance.

5.15. The Panel noted that the above remuneration schemes have not been changed for a significant period of time although it is outside the remit of The Panel to recommend changes to the schemes overall.

5.16. Councillors who sit on Fostering and Adoption Panels receive an annual allowance of £1,002. This is paid regardless of the number of sessions the County Councillor attends per year. Assuming a County Councillor attends 12 sessions a year, this would equate to around £83 a session. This would be less than the £100 a session received by other panel members who attended the same sessions. The Panel, therefore, feels that there needs to be a more equitable remuneration arrangement going forward.

Recommendation: That the SRA allowance for sitting on Fostering and Adoption Panels is changed to £100 per session attended plus travelling expenses.

5.17. The Panel feel that the levels of expenses paid should remain unchanged. The Panel found no evidence for change.

6. VICE-CHAIRS OF COMMITTEES

- 6.1. The final recommendation that we were asked to reconsider was the recommendation around the allowance for Vice-Chairs of select and regulatory Committees against the benchmark of the 27 other County Councils. We were also asked to revisit the recommendation in respect of the Joint/ Local Committee Vice-Chair roles.
- 6.2. In our original report we said that we did not consider the role of Vice-Chair brought 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. On that basis we recommended that the SRA for Vice-Chairs should be removed.
- 6.3. As requested, we have considered this further, both in the context of the 26 other County Councils (see **Table 1** below), and by engaging further with a number of other Vice-Chairs from across the Committee spectrum – select and regulatory Committees and joint/local Committees.

Table 1: Vice Chairs Benchmarking

The IRP was asked to consider what allowances were made available by other local authorities to their Committee Vice-Chairs. The IRP has looked at the Members Allowances Schemes for 2017-18 for the 26 English County Councils excluding Surrey, resulting in the following:

11 make no allowances for any Vice-Chairs;

9 pay some Vice-Chairs an allowance but not all Vice-Chairs;

5 pay all Vice-Chairs, but some get more than others; and

1 pays all Vice-Chairs the same

Where a council pays only certain Vice-Chairs, or pays some Vice-Chairs more than others, it is typically those Committees that provide the oversight and scrutiny functions that attract the higher allowance for their Vice-Chairs.

Prior to the Council’s agreement to the IRP’s 2017 recommendation to remove the Vice-Chairs allowance, all Surrey Vice-Chairs received the same (£1,503). The benchmarking shows that this position was an outlier, with only one other authority sharing this approach.

Of the 15 County Councils that pay allowances to some or all of their Vice-Chairs, all of them pay an amount in excess of the £1,503 that was previously paid to Surrey Vice-Chairs.

In conclusion, the benchmarking demonstrates that there are a range of approaches taken, and does not support any particular view.

- 6.4. Across the board, the degree of input and time spent on this role varied – in some cases possibly due to the relative experience of the Chair and Vice Chair and also, inevitably, due to varying degrees of input from the individual Vice Chairs.
- 6.5. Overall though, there seemed to be no consistent pattern that would enable us to recommend the reintroduction of an allowance for the role nor could we find any clear reason to distinguish between the different types of Committee. Although the Vice Chair role involves varying degrees of additional input, we did not consider this to represent sufficient discrete responsibility to support a Special Responsibility Allowance. The Panel did not observe any times when the Vice Chair was required to step in for the Chair, and were told that it was very rare for this to happen.
- 6.6. We therefore stand by our earlier recommendation that Special Responsibility Allowances for Vice-Chairs be removed.

7. DIVERSITY

- 7.1. 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.
- 7.2. 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.
- 7.3. 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.