



**A REVIEW OF
MEMBERS' ALLOWANCES
FOR
ELMBRIDGE BOROUGH COUNCIL**

**THE REPORT BY THE
INDEPENDENT REMUNERATION PANEL
SEPTEMBER 2014**

**South East Employers
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Jewry Street
Winchester
Hampshire
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FOREWORD

This report has been produced for Elmbridge Borough Council as part of the Council's requirement to receive independent advice from its statutory advisory panel on members' allowances. The membership of the Panel was Mark Palmer (Development Director, South East Employers) (Chairman), Dennis Frost (who has lived in Elmbridge for over 25 years and is employed by the London Borough of Ealing), Choudhury Ahmed (a doctor by profession, living in Elmbridge Borough for the last 20 years) and Gordon Manickam (local resident and Assistant Director, Department for Business, Innovation and Skills)

The Panel would like to thank Tracey Hulse, Principal Committee and Member Services Officer at Elmbridge Borough Council for all her assistance.

The Panel would also like to record its gratitude to the Members and Officers of Elmbridge Borough Council who were interviewed or provided information for the Panel's consideration.

Mark Palmer
Chairman,
Independent Remuneration Panel

1. Introduction and Terms of Reference

A review of the Elmbridge BC members' allowances scheme was conducted by the Independent Remuneration Panel at the request of the council as part of an annual review of allowances.

The Panel met at the Civic Centre in Esher on 24th September 2014. The Panel were able to consider information obtained from the 15 questionnaires completed by members and interviews with twelve members and officers

The Panel interviewed the following Members and Officers:

- Rob Moran – Chief Executive
- Andrew Cooper- Head of Finance
- Councillor John O'Reilly – Leader
- Councillor Stuart Selleck- Leader of the Residents Association Group
- Councillor Janet Turner- Leader of the Hinchley Wood Residents Association
- Beverley Greenstein- Head of Executive and Member Services
- Councillor Andrew Davis- Leader of the Liberal Democrat Group
- Councillor Shweta Kapadia- Chairman of the East Area Planning Sub Committee
- Councillor Barry Cheyne- Chairman of the Planning Committee and West Area Planning Sub Committee
- Councillor Chris Sadler- Chairman of the North Area Planning Sub Committee
- Councillor Alan Hopkins- Chairman of the Overview and Scrutiny Committee
- Councillor Simon Foale- Member of the Overview and Scrutiny Committee

The Panel took account of the statutory guidance governing Members' Allowances, in particular the Local Authorities (Members' Allowances) (England) Regulations 2003.

2. Methodology

Following the request to conduct the review of allowances, the Panel asked for a questionnaire to be circulated to all Elmbridge members. The purpose of the questionnaire was to ascertain from councillors how much time they were currently spending in their role as an elected member, what their views were on the current scheme of allowances, and whether there were any changes they would like to see introduced.

Fifteen questionnaire responses were received, from a potential total of sixty. The Panel were satisfied that all members had been given the opportunity to comment.

A copy of the questionnaire is provided at **Appendix One**.

A summary of the questionnaire responses relating to the following areas

- Hours spent on Council business
- The level of Basic Allowance
- The importance and impact of roles attracting a Special Responsibility Allowance (SRA) and;
- Travel and subsistence are attached as **Appendix Two** of this report.

3. The Panel's Considerations and Recommendations

Following close consideration of the responses to the questionnaire together with issues arising from their interviews with Members and Officers the Panel make the following recommendations:

- **Basic Allowance**

The Panel recommend that **no change** is made to the Basic Allowance and that it remains at **£4,309 plus indexation**. The allowance should continue to be indexed based on the increase in staff salaries with effect from 1st April 2015.

The Basic Allowance for Elmbridge Borough Council currently ranks fifth across the Surrey District and Boroughs

The Basic Allowances across Surrey (2013) are as follows (ranking based on highest to lowest)

- Woking BC	£7115
- Reigate BC	£5173
- Surrey Heath BC	£4884
- Waverley BC	£4426
- Elmbridge BC	£4309 (2014 figure)
- Guildford BC	£4180
- Mole Valley DC	£4098
- Tandridge DC	£4000
- Spelthorne BC	£3938
- Epsom & Ewell BC	£3341
- Runneymede DC	£2869

Although the Basic Allowance for Elmbridge Borough Council Members falls in the upper half of allowances across the Surrey Districts the IRP was made aware through both the interviews and the questionnaire response that the Basic Allowance was viewed as been too low and there was a justification for an increase in the level of the Basic Allowance. In response to the questionnaire 60% of the 15 Members who responded felt that the level of Basic Allowance was no longer appropriate and 10 of the 15 respondents felt that the Basic Allowance should be higher (Appendix 2).

The Panel recognised these concerns about the level of Basic Allowance but felt it was not appropriate at this time to recommend a significant increase as the Council was currently in a Boundary Commission review that might recommend a reduction in the number of Members. A potential recommendation of the Boundary Commission review was a reduction in the number of Council wards from 22 to 16 and a subsequent reduction in the number of Members from 60 to 48. Should this recommendation be made and implemented it would take effect from May 2016 following an all out election.

The Panel were of the view that such a reduction in wards and Members would likely lead to a change in the workload of Members as well as change to the composition of the Cabinet and Committees. The Panel were further of the view that if the reduction in wards and Members takes place then a full review of the Members Allowances should be undertaken by September 2016. Should the review not lead to a reduction in the number of wards and Members then the Basic Allowance would be reviewed at the September 2015 meeting of the Panel.

- **Special Responsibility Allowances (SRA's).**

The Panel was made aware through the questionnaire responses and by representations made to the Panel that the workload of the Area Planning Sub Committees had increased dramatically in the last year and that the current SRA for the Chairman of each Area Planning Sub Committee did not reflect the significant time commitment and additional responsibilities of the role. As part of the questionnaire Members were asked to rank the various roles that attracted an SRA in respect of the roles importance and impact. The Chairman of the three Area Planning Sub Committees were ranked as 4 in terms of importance and impact, however the current allowance is the sixth highest at £3,590.

Recommendation: The SRA for the Chairman for each of the three Area Planning Sub-Committees should be increased from £3,590 to **£4,075**. The role of Area Planning Sub Committee Chairman would therefore be ranked as the fourth highest in respect of the proposed allowances behind the Council Leader, Cabinet Members, Chairman of Overview and Scrutiny and the Chairman of the Planning Committee.

The Panel also recommends that the allowance for the Vice- Chairmen of the Area Planning Sub Committees be increased from £800 to **£930** as recognition for the increase in workload and the impact of the role of Vice Chairmen.

The Panel were of the view that the role of the Chairman of the Licensing Committee in the recent past no longer had the frequency of meetings or the volume of licensing applications. This view was supported as part of the Member and Officer interviews and through the questionnaire responses. The questionnaire responses ranked the Chairman of Licensing role as fifth in terms of importance and impact although it is currently ranked as fourth in respect of the current scheme of allowances.

Recommendation: The Panel recommends that the allowance for the role of the Chairman of the Licensing Committee be reduced from £4,075 to **£3,590**. The Panel further recommend that the allowance for the Vice- Chairman of the Licensing Committee be reduced from £930 to **£800**.

- **Group Leader Allowance**

The Panel were of the view that the methodology for determining the SRA's for Opposition Group Leaders was no longer fit for purpose. The Council has for many years paid each Group Leader a fixed annual payment of £25 per Member of for his or her Group. For example if a Group had 10 Members then the Group Leader would be paid an annual payment of £250. The payment is also made to all Group Leaders, including the Leader of the largest or majority Group and hence Leader of the Council. The £25 payment has not changed despite the indexation of all the other allowances and it appears pre-dates 2003 Local Authorities (Members Allowances) (England) Regulations.

The Panel were of the view that Group Leaders of opposition or minority Groups should receive a fixed allowance as the role is important in respect of local democracy, accountability and to recognise the organisational and pastoral role of a Group Leader. The Leader of the Majority Group already receives an SRA as Leader of the Council.

The Panel were mindful that any proposed change should not lead to an increase in the overall budget or spend in respect of Member Allowances.

Recommendation: The Panel recommends that a fixed allowance for the Opposition Group Leader and Leader of the Minority Groups be established. Opposition and Minority Group Leaders will receive **£500** per annum provided that the Group consists of at least 10% of the

total Members of the Council. Within the current Council this requires a Group to have at six plus Members. For Group Leaders with less than 10% of the total Members (between 2 and 5 Members) they will receive an allowance of 25% of the other Opposition or Minority Group Leaders, equating to **£125** per annum.

- **Travel and Subsistence**

The Council currently has its own local framework for the payment of travel allowances to Members and Officers. To support transparency and local accountability many Councils are now moving to local travel allowances recommended by Her Majesty's Revenue and Customs (HMRC) Office. As part of the questionnaire Members were asked if they should move to the HMRC approved mileage rates rather than continue on the locally set rates and 53% of the Members' who responded were of the view that the Member travel allowances should move to HMRC with 27% opposed. All Members interviewed were of the view that the Council should move to the HMRC rates for Member travel allowances.

Recommendation: The Panel recommends that Member travel allowances be linked to those recommended by HMRC.

- **Indexation of Member Allowances**

Recommendation: The Panel recommends that the Basic Allowance, SRA's including the Opposition/Minority Group Leaders allowance be indexed and increase in line with the percentage increase in staff salaries to take place on an annual basis on the 1st April. The Panel further recommends that the Dependent Carer's Allowance continues to be linked to the Living Wage, currently £7.65 to be reviewed in November 2014.

- **The One SRA Only Rule**

The 2003 Members' Allowances Regulations do not limit the number of SRA's an individual Member can receive. Nevertheless, it is common and established practice for most Councils to have a 'One SRA only' rule set out in their allowances scheme. In other words, regardless of the number of remunerated posts a Member may hold they can only receive one SRA (usually the highest in value (£'s)). The prime reason for this rule is if a Member can be paid more than one SRA, it leads to a lack of transparency. In particular, the public are unable to ascertain the true level of remuneration for a Member by a reading of the Members' Allowances scheme if a Member is able to receive more than one SRA. It can also lead (and in some Councils it has led to) a situation where the highest remunerated Member is not necessarily the Leader, an anomalous situation which does not meet the 'feel fit and fair' test.

A consequence of this rule is that it helps to negate individual Members taking on more than one remunerated post simply to increase their remuneration and, therefore, acts as a check against the concentration of power, which can be discernibly greater where the One SRA only rule is not in place.

Recommendation: The Panel recommends that the Council adopts the One SRA only rule into the scheme of Members Allowances.

4. Implementation of Recommendations

As permitted by the 2003 Members' Allowances Regulations (paragraph 10.6) it is recommended that the new Members Allowances scheme as recommended in this report be implemented as soon as possible or by the 1st April 2015.

Mark Palmer

Chairman- Independent Remuneration Panel for Elmbridge Borough Council



Elmbridge
Borough Council
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Independent Remuneration Panel

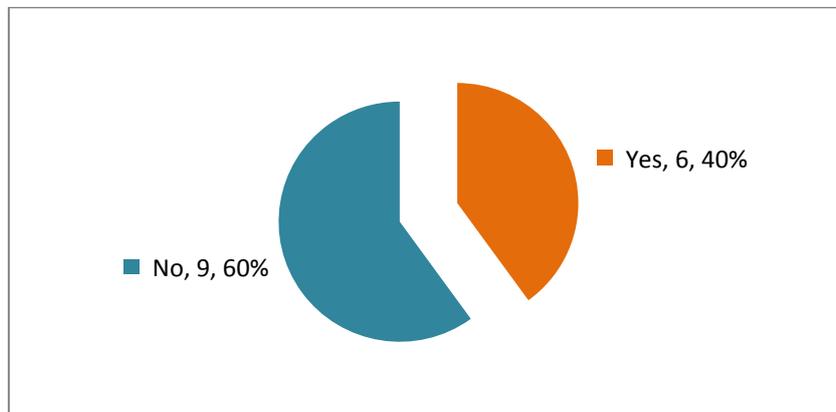
Members' Allowances Questionnaire - Summary

Hours spent on Council Business

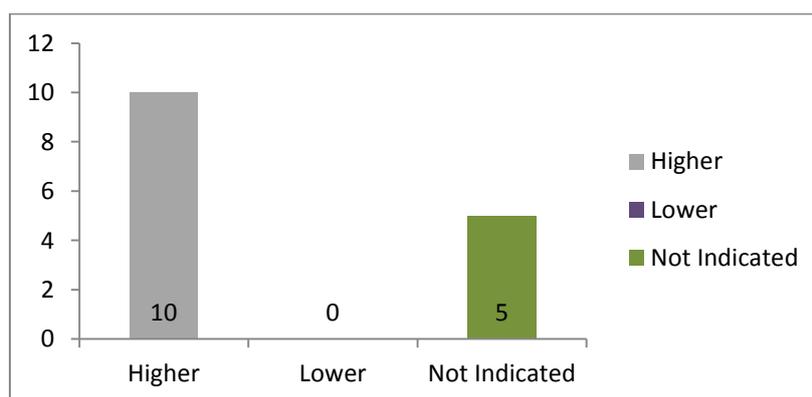
Members were asked how many hours on average they spent each week on Council business. Taking the average of the figures provided, the hours spent each week on Council business would be in the region of **21 hours per week**. (Figures indicated ranged from 10 hours a week to 40 hours a week).

Basic Allowance

The present level of Basic Allowance payable to all Councillors is £4,309 and Members were asked whether they considered this amount to be appropriate.



Members were also asked that if they considered the current level of Basic Allowance payable to not be appropriate, whether the amount should be higher or lower than £4,309.



Nine out of the 15 Members who responded to the questionnaire, indicated that they considered that the present level of Basic Allowance was not appropriate and 10 Members considered that it should be higher.

Members were asked to indicate an appropriate level if they considered that the current Basic Allowance was not appropriate and, taking the average of the figures provided, the basic allowance would be in the region of **£6,021**. (Figures indicated ranged from a 1% increase on the basic allowance to £12,000 which was the current level of Basic Allowance for County Councillors).

Special Responsibility Allowances (SRAs)

Members were asked to score each role / position in respect of importance and impact – 1 to 12 (1 being most important).

It should be noted that out of the 15 questionnaires received, 4 Members did not complete this question. Therefore, the figures in respect of SRAs are based on the 11 questionnaires completed.

Leader of the Council

1	2	3	4	5	6	7	8	9	10	11	12
11											
Average : 1											

Other Cabinet Members

1	2	3	4	5	6	7	8	9	10	11	12
3	7	1									
Average : 2											

Chairman of Overview and Scrutiny Committee

1	2	3	4	5	6	7	8	9	10	11	12
2	2	3	2	1	1						
Average : 3											

Vice-Chairman of Overview and Scrutiny Committee

1	2	3	4	5	6	7	8	9	10	11	12
	1		1		2	2	2	1		2	
Average : 7											

Chairman of Planning Committee

1	2	3	4	5	6	7	8	9	10	11	12
2	1	3	3	2							
Average : 3											

Vice-Chairman of Planning Committee

1	2	3	4	5	6	7	8	9	10	11	12
	1	1			1	3	1	3	1		
Average : 7											

Chairmen of Area Planning Sub-Committees

1	2	3	4	5	6	7	8	9	10	11	12
2	1	1	2	1	2	2					
Average : 4											

Vice-Chairmen of Area Planning Sub-Committees

1	2	3	4	5	6	7	8	9	10	11	12
	1	1		1			3		2	2	1
Average : 8											

Chairman of Licensing Committee

1	2	3	4	5	6	7	8	9	10	11	12
3			2	1	1	1	1	1		1	
Average : 5											

Vice-Chairman of Licensing Committee

1	2	3	4	5	6	7	8	9	10	11	12
	1	1				1		1	3	1	3
Average : 9											

Chairman of Audit and Standards Committee

1	2	3	4	5	6	7	8	9	10	11	12
	2	1	1	2	1			2		2	
Average : 6											

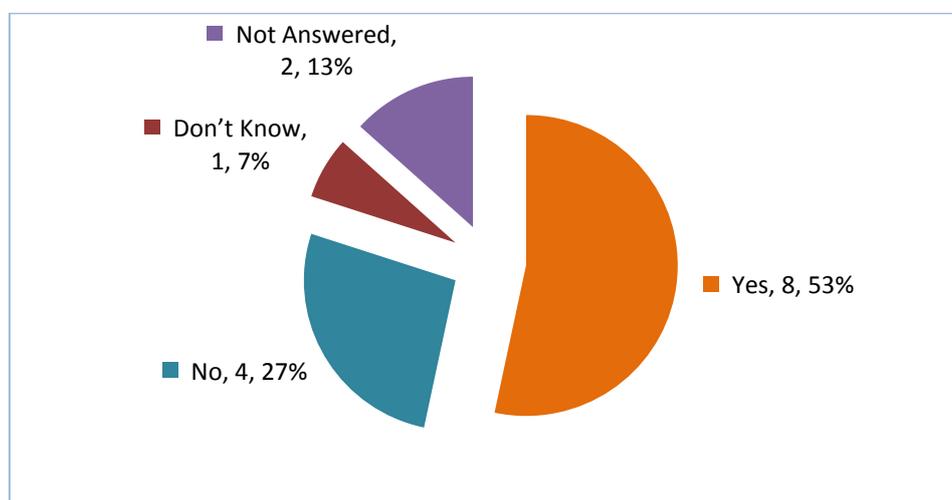
Chairman of Performance and Finance Standing Panel – Presently Deferred

1	2	3	4	5	6	7	8	9	10	11	12
		1			1	1	2		1		2
Average : 8 (figure based on 8 questionnaires completed)											

Travel and Subsistence

As many Councils had now linked local travel allowances to those recommended by Her Majesty's Revenue and Customs (HMRC), Members were asked whether they would like to see the Council travel allowances linked to the following HMRC approved mileage rates:

From 2011 - 12	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p



SCHEDULE 3 - RATES FOR TRAVEL AND SUBSISTENCE ALLOWANCE

The following travel and subsistence rates apply where an approved duty is performed and the amounts of the allowances are:

TRAVEL	RATE			NOTE
Public Transport – Rail	2nd class or any available cheap rate			Note (a) Warrants available from Payroll Officer
Public Transport – Bus	Ordinary fare or any available cheap rate			
Other Transport – Ship	1st class			Note (a)
Other Transport – Plane	Ordinary fare or any available cheap rate			Note (b)
Cycle Allowance	25 pence			Rate per mile
Motor Cycle (unchanged)	<251cc	251cc-500cc	>500cc	
	27 pence	35.5 pence	39.2 pence	Rate per mile Note (c)
Own Motor Vehicle	<1000cc	1000cc-1199cc	>1199cc	
	46.9 pence	52.2 pence	65.0 pence	Rate per mile Note (c)
Taxi-cab	Actual fare and any reasonable gratuity			Emergency / no public transport Note (d)
Hired Motor Vehicle	Not exceeding own vehicle rate unless body approve rate to an amount not exceeding actual cost of hiring			Excludes taxi cab
SUBSISTENCE				
>4 hours before 11am	Breakfast allowance £6.88			Notes (e), (f)
>4 hours including 12 noon to 2pm	Lunch allowance £9.50			Notes (e), (f)
>4 hours including 3pm to 6pm	Tea allowance £3.76			Note (e)
>4 hours ending after 7pm	Evening meal allowance £11.76			Notes (e), (f)
Overnight absence	Out of Pocket expenses £5.28 per night			Note (g)

NOTES:

- (a) The rate may be increased by supplementary allowances not exceeding expenditure actually incurred for:
 - (i) on Pullman Car or similar supplements, reservation of seats and deposit or portorage of luggage; and
 - (ii) on sleeping accommodation engaged by the Member for an overnight journey, subject, however, to reduction by one-third of any subsistence allowance payable for that night.
- (b) Not to exceed rate applicable to travel by appropriate alternative means of transport together with an allowance equivalent to the amount of any saving in subsistence allowance.
- (c) The rate may be increased by not more than the amount of any expenditure incurred on tolls, ferries or parking fees, including overnight garaging. This equates to rates agreed by the National Joint Council for Local Government Services.
- (d) Where not a case of urgency or public transport exists, the amount of the fare for travel by appropriate public transport.
- (e) All subsistence rates shall be reduced by an appropriate amount in respect of any meal provided free of charge. This equates to rates agreed by the National Joint Council for Local Government Services.
- (f) Where main meals are taken on trains during a period for which there is an entitlement to a day subsistence allowance, the reasonable cost of the meals (including VAT) may be reimbursed in full as an alternative, subject to the time limits shown above.
- (g) Cost of overnight accommodation will be paid directly by the Council.

These rates shown are also applicable to Elmbridge Officers and will be amended should these rates change.