

**REPORT OF THE INDEPENDENT REMUNERATION PANEL ON
THE REVIEW OF ALLOWANCES FOR MEMBERS OF
ELMBRIDGE BOROUGH COUNCIL
DECEMBER 2006**

Members of the Panel

The membership of the Independent Remuneration Panel is John Marsh (Chairman), (Associate Consultant for South East Employers), Nicholas Lawson (Chartered Accountant) and Bryan Tonkinson MBE (Lecturer).

We met on 20th December 2006 to conduct a partial review. At this partial review we considered the level of the Basic Allowance, the position on Licensing and the possibility of a Special Responsibility Allowance for the Chairman of the newly formed Audit and Standards Committee.

We were assisted by Andrew Cooper (Finance Manager - Elmbridge Borough Council), Robin Barnes (Principal Environmental Health Officer - Elmbridge Borough Council) and Muir Laurie, (Head of Internal Audit - Elmbridge Borough Council).

We interviewed Councillor R. H. Taylor, (Leader of the Council) and Councillor T. S. Stewart (Chairman of the Licensing Committee). Unfortunately, we were unable to interview any members of the Audit and Standards Committee.

In addition we were provided with the Allowance Schemes for all other Surrey Districts and for a Selection of Allowance Schemes from Elmbridge's Audit Family.

Lucy Bird provided us with secretarial services. We are grateful to all Members and Officers who assisted us.

Basic Allowance.

The current Basic Allowance for Members of Elmbridge Borough Council is £4,000. The Basic Allowance is paid to Members of the Council to recognise both the time spent on Council business and to cover incidental expenses such as postage, stationery, telephone and computer costs.

Whilst Special Responsibility Allowances have been index linked up to and including 2007/8, the Basic Allowance was only index linked until the end of 2006/7. The index linking used for this allowance has been the increase in officer average salaries.

We had circulated a questionnaire to all Members of the Council seeking their views on the level of the Basic Allowance. Twenty three Members returned the

questionnaire and we thank them for so doing. Their responses have assisted our deliberations and have been taken into account in formulating our recommendations.

77% of those responding agreed that the current level was about right whilst of the five Members who disagreed, opinions ranged from £0.00 to £7,500.

65% of respondents agreed that the average increase in officer remuneration was a reasonable basis with which to link this allowance whilst 12% considered that a link to retail prices would be preferable. 37% believed there should be no increase in the Basic Allowance for 2007/8.

The current Basic Allowance is in line with that of other Surrey districts and with those members of the Audit Family for which we had information.

We will be recommending that a comprehensive review of both Basic and Special Responsibility Allowances be undertaken in the summer of 2007 and therefore, against the evidence we have received, currently recommend that the Basic Allowance for Members of Elmbridge Borough Council for 2007/8 be set at the current level of £4,000 plus inflation based on the average increase in officer remuneration.

Licensing Committee

The current provisions for Members' Allowances include the following:- "The amount of £3,250 be split between the members of the licensing Committee who do not already receive a Special Responsibility Allowance, allocated as a one off payment proportionate to the number of sub-committee meetings the Member has attended during the financial year 2005/06".

This provision was to recognise the work carried out by members of the Licencing Sub-Committees in relation to the new legislation on licensing.

We have spoken with Robin Barnes (Principal Environmental Health Officer) and with Councillor Stewart (Chairman of the Licensing Committee) about the continuing work relating to the Licensing Acts and the expectations flowing from the Gambling Act.

It is the considered opinion that the initial process relating to the Licensing Acts worked well and that the one off payment referred to above was appreciated by Members as a token recognition of the duties they had to perform

The situation on this has now stabilised and it is felt that there is no requirement to continue this one off payment.

Likewise, it is not anticipated that the Gambling Act will have a large impact,

especially as the Licensing Committee has been increased from ten to fifteen Members.

We do not, therefore, see the need to recommend the continuation of a payment to members of the Licensing Sub-Committees. We make no recommendation for change to the Special Responsibility Allowances for the Chairman and Vice-Chairman of the Licensing Committee other than the index linking already agreed by the Council.

Audit and Standards Committee

We have been made aware of the changes in this area and have seen the Terms of Reference of the Audit and Standards Committee. We have spoken with Andrew Cooper (Finance Manager), Muir Laurie (Head of Internal Audit) and with Councillor R. H. Taylor (Leader of the Council) about the working of this Committee.

We understand that the Committee meets each cycle and is chaired by an Independent Member but not a Member of Elmbridge Borough Council. Whilst some councils have equated the role of their Audit and Standards Committees to that of an Overview and Scrutiny Committee we believe that this is not the case in Elmbridge.

The Committee's role currently appears to be one of receiving reports on audit activities rather than itself being proactive. Whilst it was put to us that it could not work without an "astute chairman and vice-chairman" we believe that its role is still evolving. In responsibility terms, therefore, the Chairman's role appears to equate to that of the Chairman of an Area Planning Sub-Committee with a Special Responsibility Allowance of £2755.

The 2001 Members' Allowance Regulations provide for a "Co-optees Allowance" This is *"for the payment of an allowance for each year to a member in respect of attendance at conferences and meetings"* (Regulation 9(1) where a member is defined as *"a person who is not a member of the authority but who is a member of a committee or sub-committee of the authority"*. (Regulation 9(5).

We would like to recommend that the Chairman of the Audit and Standards Committee be given a Special Responsibility Allowance for the year 2007/8 of £2755 subject to the addition of the appropriate index linked increase. However, it is not clear from the Regulations whether the attendance at meetings referred to in Regulation 9(1) relates only to external meetings and the authority should take its own legal advice before implementing any recommendation in relation to the Independent Chairman of the Audit and Standards Committee.

The Regulations also provide for backdating of an allowance where duties are commenced part way through a year. In the event of the Council being satisfied that

it is legally entitled to pay a Special Responsibility Allowance to the Independent Chairman of the Audit and Standards Committee, we would recommend that the Special Responsibility Allowance for the Chairman of that Committee be backdated to the date of its inception.

As mentioned earlier in this report, we recommend that a full review of both Basic and Special Responsibility Allowances be undertaken during the summer of 2007. To facilitate this, we would ask that arrangements be put in place to allow Members to complete a “time diary of Council activities” for a two cycle period prior to that review taking place.

Nicholas Lawson John Marsh Bryan Tonkinson

January 2007