

REPORT TO THE MEETING OF THE EXECUTIVE 8 DECEMBER 2010

PORTFOLIO: OVERALL STRATEGY AND POLICY DIRECTION

REPORT FROM HEAD OF LEGAL, ESTATES AND MEMBER SERVICES

SUBJECT: INDEPENDENT REMUNERATION PANEL REPORT

1 DECISIONS BEING RECOMMENDED

- 1.1 To recommend to Council that it resolves to adopt the Remuneration Scheme for 2011/12 proposed by the Independent Remuneration Panel.
- 1.2 To consider if it would be appropriate to recommend to Council:-
 - (1) That, for the future, the Independent Remuneration Panel is convened every four years unless there is a need to implement a new or amended Members' Allowance scheme in relation to a change to the structure of the Council.
 - (2) That the level of the basic and Special Responsibility Allowances be adjusted each Municipal Year in line with the local government staff annual pay award.
 - (3) That Childcare and Carer's Allowances and Travelling Expenses be increased annually in line with the increase in the Retail Price Index as advised by the Council's Head of Finance.
 - (4) That Subsistence/Meals on Trains Allowances remain linked to the rates payable to District Council officers, which reflect national arrangements.
 - (5) That the Independent Remuneration Panel reviews the Parish/Town Council remuneration schemes every four years in tandem with the District Council review, on the basis that Parish/Town Councils could continue to base their basic allowance and other aspects on a percentage of the Rochford District Council basic allowance, pending the next review.

2 REASONS FOR RECOMMENDATIONS

Report of the Independent Remuneration Panel 2011/12

- 2.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require that each Council sets up and maintains an Independent Remuneration Panel to review and provide advice on the level of allowances for Members. The Council has to have regard to the advice of the Panel, except in the area of pensionable allowance where the view of the Panel is binding if it does not recommend implementation.

2.2 The report of the Independent Remuneration Panel regarding District Council remuneration is attached at Appendix 1.

2.3 In summary, the main recommendations from the Panel are as follows:-

- Basic and Special Responsibility allowances to be retained at the 2010/11 levels (see paragraph 2.4 in Appendix 1).
- Childcare and Carer's allowance to be retained at the 2010/11 levels (see paragraph 2.5 in Appendix 1).
- No allowances to be eligible for pension contributions (see paragraph 1.2 in Appendix 1).
- Travelling Expenses to be retained at the 2010/11 levels, subject to a caveat providing that mileage allowance will only be paid in cases where use of public transport is not conveniently available, where public transport would cost more than the mileage allowance and/or where excessive travelling time would be involved (see paragraph 2.6 in Appendix 1).
- Subsistence/Meals on Trains Allowances, which are linked to the rates payable to officers and reflect national arrangements, to be retained at the 2010/11 levels (see paragraph 2.7 in Appendix 1).

Allowances for the 2012/13 Municipal Year on

2.4 It is a statutory requirement under the Local Authorities (Members' Allowances) (England) Regulations 2003 that, where an authority has regard to an index for the purpose of annual adjustment of allowances, it must undertake a review of Members' allowances and remuneration at least every four years, unless the need for an earlier review of the scheme becomes necessary.

2.5 A number of Councils have an Independent Remuneration Panel available but only convene the Panel and seek its advice before setting a new or amended Members' Allowances Scheme or where there are changes to the political management arrangements of the Council. It is suggested that this approach may be an option for Rochford District Council for the 2012/13 Municipal Year on.

3 ALTERNATIVE OPTIONS CONSIDERED

3.1 The Independent Remuneration Panel is required to take account of the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 in its work. An option with regard to an approach to the setting of allowances for the 2012/13 Municipal Year on is included in this report.

4 RISK IMPLICATIONS

- 4.1 To minimise reputational risk the Council needs to have regard to the recommendations of the Independent Remuneration Panel.

5 RESOURCE IMPLICATIONS

- 5.1 The cost of the remuneration scheme with no increase for 2011/12 is estimated at £287,000 and is part of the core estimates. Any claims made for reimbursement of childcare or dependant care costs would be in addition to this, but based on experience this likely to be minimal.
- 5.2 Adoption of the option outlined in this report for the 2012/13 Municipal Year on, whereby there is no requirement that the Independent Remuneration Panel is convened annually, would result in considerable resource savings in terms of officer time.

6 PARISH IMPLICATIONS

- 6.1 The Independent Remuneration Panel has a role in reviewing Parish/Town Council remuneration schemes. A copy of the Panel's report is attached at Appendix 2 for information. This will be supplied to all Parish/Town Councils for consideration.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: _____

Head of Legal, Estates and Member Services

Background Papers:

Minutes of Independent Remuneration Panel.

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**REPORT OF THE INDEPENDENT REMUNERATION PANEL TO
ROCHFORD DISTRICT COUNCIL – NOVEMBER 2010**

1 BACKGROUND

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require that each Council must establish and maintain an Independent Remuneration Panel to 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 on whether dependants' carers' allowance and travel and subsistence allowances should be paid and the levels of these allowances. The Panel also can consider whether any allowances should be pensionable and/or subject to an annual inflationary increase.
- 1.2 The Council has to have regard to the advice of the Independent Remuneration Panel except in the instance of pensionable allowances where the view of the Panel is binding if it does not recommend their implementation. The Panel has not recommended that any allowances should be pensionable.
- 1.3 In April 2008 the Council moved to a stronger leadership model of governance with the Leader appointed for a period of 4 years, supported by an Executive of 7 portfolio holders with delegated decision-making authority, and the Panel convened to consider the impact of this new structure in June 2008. The Panel carried out an annual review in November 2008 and October/November 2009.
- 1.4 The same Independent Remuneration Panel is also required to consider the remuneration schemes for Parish/Town Councils.

2 DISTRICT COUNCIL REVIEW

- 2.1 For its 2010 review the Panel took into consideration comparative information about allowances in District Councils in Essex.
- 2.2 The Panel noted that basic and special responsibility allowances had not been increased in the past two years. The Panel also noted that the Council continued to perform well; it had retained an overall score of 3 under the new framework for the Use of Resources assessment, which was a significant achievement. The Council had also been awarded the South East Charter for Elected Member Development.
- 2.3 In August District Council Members had been asked for views on any matters relating to allowances that they would want the Panel to consider during the course of its work, bearing in mind the current economic climate. The Panel had received no comments from Members in this respect.

2.4 Basic and Special Responsibility Allowances

The Panel felt that the cabinet system, implemented in the 2008/09 Municipal Year, was likely to have had time to bed in. There appeared to be nothing new that would potentially place a greater burden on Portfolio Holders or the Leader and allowances were not out of alignment with other Essex authorities. No new working practices had been introduced that needed to be recognised, which would indicate that there was no requirement for an increase in allowances. A lack of an increase could be seen as a reduction in inflationary terms.

The Panel had regard to the Government's announcement of an indicative 7% reduction in local authority spending. Recognising that the Council would no doubt need to take account of the austere economic climate and the impact of the Government's comprehensive spending review within this year's budget considerations, the Panel agreed that it would be appropriate to communicate to Group Leaders the view that the option of a reduction in the level of allowances be included in these considerations.

Recommendation: That there be no increase in basic or special responsibility allowances for 2011/12.

2.5 Childcare and Carer's Allowances

The Panel felt that the provision of these allowances meant that people were not discouraged from becoming Councillors because of financial constraints. In view of this, and the relatively low take up of these allowances, it was felt that they should be retained at the existing rates.

Recommendation: That there be no change to the childcare and carer's allowances for 2011/12.

2.6 Travelling Expenses

In terms of the mileage allowance for use of the Member's vehicle, the Panel felt that the level of travelling expenses should be unchanged but, given that it is relatively generous, a caveat should be introduced providing that mileage allowance will only be paid in cases where use of public transport is not conveniently available, where public transport would cost more than the mileage allowance and/or where excessive travelling time would be involved.

Recommendation: That there be no change to travelling expenses for 2011/12, subject to a caveat providing that mileage allowance will only be paid in cases where use of public transport is not conveniently available, where public transport would cost more than the mileage allowance and/or where excessive travelling time would be involved.

2.7 Subsistence/Meals on Trains Allowances

The Panel noted that these allowances were linked to the rates payable to officers and reflected national arrangements. The Panel felt that no change should be recommended.

Recommendation: That there be no change to the subsistence/meals on trains allowances for 2011/12.

3 PARISH/TOWN COUNCILS REVIEW

- 3.1 The Panel undertook a separate review of the Parish/Town Council remuneration framework. The application of this framework will be matter for individual decision by each Parish/Town Council, with a recommended maximum for each Council.
- 3.2 Detail of the Parish/Town Councils Remuneration Review is set out in a separate report.

Owen Richards (Chairman)
Steven Chelmsford
Jeffery Bowen

November 2010

**REPORT OF THE INDEPENDENT REMUNERATION PANEL TO THE
PARISH/TOWN COUNCILS - NOVEMBER 2010**

1 BACKGROUND

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require that each District Council must establish and maintain an Independent Remuneration Panel to make recommendations on the Council's scheme of allowances, the amounts to be paid and the pensionability of allowances where relevant.
- 1.2 The same Panel is also required to consider the remuneration schemes for Parish/Town Councils, should they wish to pay a basic allowance or travel and subsistence expenses.
- 1.3 The Parish/Town Councils have to have regard to the advice of the Panel, but its recommendations are not binding.

2 PARISH/TOWN COUNCIL REMUNERATION REVIEW

- 2.1 As a result of the 2007/08 and 2008/09 reviews the Panel established a remuneration framework to recognise the relative responsibilities of Parish/Town Councils in providing services and managing budgets. It was anticipated that this would assist in increasing the diversity of elected representatives by encouraging people to stand for election who otherwise may be unable to do so.
- 2.2 The Panel recognised that application of the framework of allowances would be a matter for individual Parish/Town Councils to decide and that certain Councils may not wish to set an allowance.
- 2.3 The following framework was established, that set the maximum levels recommended for each Council. The Chairman's allowance was set at 50% of the appropriate Parish/Town Council basic allowance:-

Parish / Town Council	% of Rochford DC Basic Allowance	Addition for Quality Status
<u>Band 1</u> Barling Magna, Canewdon, Foulness Island, Paglesham, Rawreth, Stambridge, and Sutton	5%	5%
<u>Band 2</u> Ashingdon and Great Wakering	15%	5%
<u>Band 3</u> Hawkwell, Hullbridge and Rochford	20%	5%
<u>Band 4</u> Hockley and Rayleigh	25%	5%

- 2.4 The Panel had asked all the Parish and Town Councils whether there were any specific issues around payment levels for Parish/Town Councillors that they wished the Panel to consider for 2011/12 and responses had been received from four Councils.
- 2.5 The Panel felt that it would be appropriate for the existing framework in relation to basic allowances to be retained for 2011/12. Assuming a Rochford District Council basic allowance of £4,250, therefore, the recommended levels of Parish/Town Council basic allowances for the 2011/12 Municipal Year would be:-
- | | | |
|-----------------|---|-----------------------------|
| Ashingdon | - | £637.50 per annum maximum |
| Barling Magna | - | £212.50 per annum maximum |
| Canewdon | - | £212.50 per annum maximum |
| Foulness Island | - | £212.50 per annum maximum |
| Great Wakering | - | £850.00 per annum maximum |
| Hawkwell | - | £1,062.50 per annum maximum |
| Hockley | - | £1,275.00 per annum maximum |
| Hullbridge | - | £850.00 per annum maximum |
| Paglesham | - | £212.50 per annum maximum |
| Rawreth | - | £212.50 per annum maximum |
| Stambridge | - | £212.50 per annum maximum |
| Sutton | - | £212.50 per annum maximum |
| Rayleigh | - | £1,275.00 per annum maximum |
| Rochford | - | £1,062.50 per annum maximum |
- 2.6 In considering District allowances for the 2011/12 Municipal Year the Panel had regard to the Government's announcement of an indicative 7% reduction in local authority spending. Recognising that the Council would no doubt need to take account of the austere economic climate and the impact of the Government's comprehensive spending review within this year's budget considerations, the Panel agreed that it would be appropriate to communicate to Group Leaders the view that the option of a reduction in the level of allowances be included in these considerations. Parish/Town Councils should note that any reduction in the District basic allowance would mean a corresponding decrease to the recommended levels of Parish/Town Council basic allowances.
- 2.7 The Panel noted that Parish/Town Councils that had achieved 'quality status' were subject to a re-accreditation process every three years. The Panel agreed that the principle of recognising 'quality status' was something that should be maintained as it represented a significant achievement. However, it was felt that it would be appropriate for the additional 5% paid to those Councils that had achieved 'quality' status to be paid for the financial year following the year of attainment only and again, if re-accreditation is achieved, for the financial year following the year in which it is achieved.

2.8 Childcare and Carer's Allowances

The Panel recommended that childcare and carer's allowances should reflect those allowed for District Councillors.

2.9 Travelling Expenses

The Panel recommended that travelling expenses should reflect those allowed for District Councillors. This would include the introduction of a caveat that mileage allowance will only be paid in cases where use of public transport is not conveniently available, where public transport would cost more than the mileage allowance and/or where excessive travelling time would be involved.

2.10 Subsistence Allowance

The Panel recommended that subsistence allowance should reflect those allowed for District Councillors.

2.11 The Panel, therefore, recommends:-

- (1) That the existing framework for Parish/Town Council basic allowances be retained for 2011/12.
- (2) That the additional 5% paid to those Councils that have achieved 'quality status' be paid for the financial year following the year of attainment only and again, if re-accreditation is achieved, for the financial year following the year in which it is achieved.
- (3) That subsistence, childcare and dependant carer's allowances should be set at the same levels as for Rochford District Councillors for 2011/12.
- (4) That travel expenses should be set at the same levels as for Rochford District Councillors, including the caveat relating to the mileage allowance detailed above.

Owen Richards (Chairman)
Steven Chelmsford
Jeffery Bowen

November 2010