

MEMBERS' ALLOWANCES

1 SUMMARY

- 1.1 The purpose of this report is to agree amendments to the scheme of Members' Allowances to come into effect from 1 April 2005.

2 INTRODUCTION

- 2.1 Attached at Appendix 1 is a copy of the minutes of the Remuneration Panel of 6 October and 27 October. A formal report has not been issued as the Panel is content that the minutes adequately reflect their views.

3 ALLOWANCES

- 3.1 The Remuneration Panel has made the following recommendations:-
- Basic Allowance of £3,000
 - Existing cascade system and percentage allocations of Special Responsibility Allowances. The effects of these are shown at Appendix 2 of this report.
 - Introduction of a Carer's Allowance
 - Maintain co-optees' allowance at £300 per annum
 - Travel and subsistence to be paid at the same rate as for Officers as at 1 April 2005 subject to a maximum of 40p per mile and a passenger allowance of 5p per passenger per mile to be introduced. In addition, new allowances of 24p per mile for a motorcycle and 20p per mile for a bicycle.
 - Allowances should not be pensionable.
 - Index linking should not be applicable.

4 RESOURCE IMPLICATIONS

- 4.1 The financial impact of the proposed scheme of allowances has been made within the budget strategy.

5 LEGAL IMPLICATIONS

- 5.1 All Councils must set a Basic Allowance. Any amendments to the scheme of allowances may be agreed when the Council has taken into account the views of an Independent Remuneration Panel.

6 RECOMMENDATION

6.1 It is proposed that the Committee **RECOMMENDS** to Full Council

A scheme of allowances taking into account the views of the Independent Remuneration Panel.

Roger Crofts

Corporate Director (Finance & External Services)

Background Papers:-

None

For further information please contact Roger Crofts on:-

Tel:- 01702 546366 Extn. 3006

E-Mail:- roger.crofts@rochford.gov.uk

APPENDIX 1

Notes of the meeting of the **Remuneration Panel** held on **6 October 2004**

Panel Members Present

John Adsett, Maureen Botham and Steven Chelmsford

Council Officers Present

Roger Crofts and Margaret Martin

REVIEW OF MEMBERS' ALLOWANCES AND TRAVEL AND SUBSISTENCE ALLOWANCES 2005/2006

The Corporate Director (Finance & External Services) outlined the purpose of this year's review. This would be to review Members' allowances and travel and subsistence allowances, taking into account the recommendations of the Panel from the previous year. Mr Crofts also passed on a request from Hockley Parish and Rayleigh Town Councils for the Panel to re-consider their allowances whilst undertaking this year's District review.

By way of background information, the following was noted:-

- an initial increase of £700 for Members' allowances had been recommended and accepted last year, with further increases to be recommended in the following two years.
- this had been with a view to achieving parity with the Essex average, whilst taking into consideration that the Essex average would also have increased.
- 2004/05 Members' Allowances details for other Essex Authorities with the exception of Brentwood and Uttlesford, which were still awaited. Details for Southend and Thurrock would not be included in calculations as they are Unitary Authorities.
- Rochford is in the lower quartile in terms of population and funding, but the higher quartile in terms of council tax and performance. The residents of the District report high satisfaction with the services of the Council.
- The same statutory services need to be provided, whatever the size of the Council and Rochford's spend per head of population is the lowest due to the low revenue received from Central Government. Increased spending could only be achieved by increasing council tax.
- In the recent Comprehensive Performance Assessment conducted by the Audit Commission, the Council had been graded as a 'weak' performing Council. It had been criticised for too much concentration on achieving local targets at the expense of national initiatives.
- Guidance from the Inland Revenue relating to travel/subsistence allowances indicates that anything above 40 pence per mile is profit.

The Panel reiterated that their aims through previous year's recommendations had been to provide a fair overall package for Members that would form a basis for forthcoming years. Most recommendations had been accepted, with the notable exception of a carer's allowance. The intention with this recommendation had been to improve people's accessibility to the role of Councillor and to encourage diversity and inclusion.

During further discussion, it was suggested that "green" initiatives such as car sharing, passenger allowances, cycling allowances could be considered and the Corporate Director agreed to seek further information for the Panel with details relating to allowances paid by other Councils who described themselves as "green". Leamington Spa was cited as one example.

The Panel agreed the following checklist of issues to be considered in forthcoming meeting:-

- Carer's Allowance
- Cycle Allowance
- Passenger Allowance
- Subsistence Allowance
- Telephone Expenses
- Request from Hockley Parish and Rayleigh Town Councils.

It was agreed that the next meeting would be held on Wednesday 27 October, commencing at 2 pm.

The meeting commenced at 2 pm and closed at 3.30 pm.

Notes of the meeting of the **Remuneration Panel** held on **27 October 2004**

Panel Members Present

John Adsett, Maureen Botham and Steven Chelmsford

Council Officers Present

Roger Crofts and Margaret Martin

REVIEW OF MEMBERS' ALLOWANCES AND TRAVEL AND SUBSISTENCE ALLOWANCES 2005/2006

The Panel received an updated spreadsheet indicating Members' Allowance details for other Essex Authorities, which included the figures relating to Brentwood and Uttlesford. As previously agreed, Southend and Thurrock, as Unitary Authorities, would not be included in the calculations.

During discussion, it was noted that:-

- with the exclusion of Rochford (lowest) and Brentwood (highest) the average basic allowance currently being paid is £3827.
- a tax free allowance of 5p per passenger per mile could be payable and not taxable.
- "green" authorities were not necessarily reflecting the policy in their Members' mileage allowances.

The Panel agreed the following recommendations:-

Basic Allowance

A Basic Allowance of £3,000. The Panel was standing by their previous policy of working towards achieving parity with the Essex average, whilst recognising that the Essex average would also have increased.

Special Responsibility Allowances

In line with previous years, the "cascade" system of allocating special responsibility allowances should continue, together with the existing percentage allocations.

Carer's Allowance

The Panel continue to hold the strong view that a carer's allowance for Members with child care and dependant relative issues should be available. It was considered that such an allowance was essential if the Council were to truly act in a socially inclusive manner. This would encourage a move towards providing a Member demographic more closely related to the District's population and in line with Government thinking. A decision not to include such an allowance would encourage a perception that the Council was not acting to encourage inclusion.

Finally, the Panel noted that not all seats were contested at the last election. By offering additional support to members through a carer's allowance, the Panel seek to encourage more interest and participation in Council membership, and in turn strengthen local democracy.

In reaching this decision, the Panel had also taken note of the results of the Improvement and Development Agency's (IDeA) Survey of Newly Elected Local Authority Councillors 2003 which had indicated that of all starters, 33.7% had one or more caring responsibility. This was an increase over the figures for exiting Councillors.

The Panel recommended paying £5 per hour to a maximum of 100 hours per annum.

Travel and Subsistence Allowance

- These would be paid at the same rate as applied to officers of the Council as at 1 April 2005, subject to a maximum limit of 40p per mile and with the limit on overnight hotel accommodation staying at the same level.
- It was noted that hotel accommodation rates were based on previous Government limits and the Panel requested feedback for next year's review on the amount claimed under this allowance.
- The Panel recommend that the Council demonstrate its commitment to green issues by the introduction of a Passenger Allowance to encourage car sharing, particularly from the more outlying parts of the District. This would be at 5p per passenger per mile.
- In addition to this, the Panel wished to recommend a motorcycle allowance of 24p per mile and a bicycle allowance of 20p per mile.

Parish Allowance

In response to the request that the Panel re-consider the allowances for Hockley Parish and Rayleigh Town Councils, it was agreed that both Councils pay an allowance of 25% of the District Members' allowance. For the benefit of the new Panel member it was noted that Parishes had been surveyed last year via a questionnaire in order to confirm the amount of time spent by their Members on Parish Council business.

Pensions/Index Linking

The Panel continued to be of the view that pensions/index linking should not be applicable

The Panel agreed to consider the final details via e-mail. The report would be presented to the Policy & Finance Committee on 7 December 2004.

The meeting commenced at 2 pm and closed at 3.55 pm.

APPENDIX 2

MEMBERS ALLOWANCES - PROPOSALS

Allowance	Scheme At Suggested Maximum £
Basic	3,000
Group Leader - Con	2,139
Deputy - Con	238
Group Leader - Lab	0
Deputy - Lab	0
Group Leader - Lib	976
Deputy - Lib	108
Group Leader - Ind	0
Deputy - Ind	0
Committee Chairman	1,200
Committee - Vice Chair	300
Sub Committee Chair	0
Chairman	6,000
Vice Chairman	1,500
Proposal for Carers Allowance	2,000
Proposal for Co - Optees Allowance	1,200
Total Cost For Year (All Members Claiming)	144,662

Note: Group Leaders and Deputy payments will change after the May Elections