

REPORTS FROM THE EXECUTIVE AND COMMITTEES TO COUNCIL

1 INDEPENDENT REMUNERATION PANEL

- 1.1 This item of business was referred by the Executive on 15 October 2014 to Full Council with a recommendation on adopting a Remuneration Scheme for 2015/16. An extract of the key elements of the report of the Head of Legal, Estates and Member Services to the Executive is attached at Appendix A.
- 1.2 It was observed that the proposed increase for the Child Care Allowance when not using a child care professional of up to £10.00 per hour maximum could help the Council in having an affordable option for individuals with children considering whether to stand for election. It was also observed that, in having kept Allowances at the same level for a number of years, and taking account of inflation, the Authority had, effectively, achieved a cut of 14% in real terms.
- 1.3 It is proposed that Council **RESOLVES** to adopt the remuneration Scheme for 2015/16 proposed by the Independent Remuneration Panel. (HLEMS)

SUBJECT: INDEPENDENT REMUNERATION PANEL REPORT

1 DECISIONS BEING RECOMMENDED

- 1.1 To recommend to Council that it resolves to adopt the Remuneration Scheme for 2015/16 proposed by the Independent Remuneration Panel.

2 REASON FOR RECOMMENDATION

Report of the Independent Remuneration Panel 2015/16

- 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 make recommendations on the level of allowances for Members. The Council has to have regard to the advice of the Panel but does not have to implement its recommendations.
- 2.2 In January 2011 the Council agreed to move away from annual reviews to a formal review by the Independent Remuneration Panel of the Member remuneration scheme every four years. The last review undertaken by the Panel was in respect of the 2011/12 municipal year. The review undertaken this year will relate to the scheme for 2015/16.
- 2.3 The report of the Independent Remuneration Panel regarding District Council remuneration is attached as an appendix.
- 2.4 In summary, the main recommendations from the Panel are as follows:
- Basic and Special Responsibility allowances to be retained at the current levels (see paragraph 2.3 in the appendix).
 - Childcare allowance for the use of professional care to be retained at £15 per hour and the rate for other childcare to be increased to up to £10 per hour maximum (see paragraph 2.4 in the appendix).
 - Carer's allowance to be retained at up to £15 per hour maximum (see paragraph 2.4 in the appendix).
 - Travelling Expenses to be retained at the current level (see paragraph 2.6 in the appendix).
 - Subsistence/Meals on Trains Allowances, which are in line with the rate paid to officers and reflect national arrangements, to be retained at the current level (see paragraph 2.6 in the appendix). Special Responsibility Allowance in respect of Independent Persons and Parish Representatives of the Standards Committee and Members of the Independent Remuneration Panel to be retained at the current level (see paragraph 2.7 in the appendix).

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 2015/16 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 2015/16 is estimated at £295,500 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 is likely to be minimal.

6 PARISH IMPLICATIONS

- 6.1 The Independent Remuneration Panel has a role in reviewing Parish/Town Council remuneration schemes and undertook a separate review of the Parish/Town Council remuneration framework. Details of the Parish/Town Councils Remuneration Review are set out in a separate report.

If you would like this report in large print, Braille or another language please contact 01702 318111.

Appendix

**REPORT OF THE INDEPENDENT REMUNERATION PANEL TO
ROCHFORD DISTRICT COUNCIL – AUGUST 2014**

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 subject to an annual inflationary increase.
- 1.2 The Council has to have regard to the advice of the Independent Remuneration Panel but does not have to implement its recommendations.
- 1.3 Council agreed in January 2011 to move away from annual reviews of the Member remuneration scheme to a formal review by the Independent Remuneration Panel of the scheme every four years. The last review undertaken by the Panel was in respect of the 2011/12 municipal year. The review undertaken this year will relate to the scheme for 2015/16.
- 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 The Panel held two meetings and considered the following documents:-
- comparative information about Member allowances in District Councils across Essex
 - The draft Corporate Plan 2014/17
 - Information on changes to the Council's governance structure with effect from 2013/14.
 - Information on the current political make-up of the Council, changes to the Executive Portfolio Holders, the establishment of Portfolio Holder Advisory Groups and the work of the Electoral Review Working Group.
 - Comments from Councillors.
- 2.2 The Panel was advised that the Council had once again achieved 'Best authority in England for recycling', with a recycling rate of 66.7% and had

been re-accredited to the South East Charter for Elected Member Development in January 2014.

2.3 Basic and Special Responsibility Allowances

The Panel considered the level of basic and special responsibility allowances, and noted that these have not been increased since 2009/10. Although there is provision in the Scheme currently for the level of basic and special responsibility allowances to be adjusted each year in line with the local government staff award, Members have voted that they will not take a rise. The Panel referred to the Medium Term Financial Strategy 2014/15 update report, which showed that the Council is aiming to save money across its services.

The Panel was made aware of the reorganisation at Annual Council this year of Executive Portfolio Holder roles and the creation of Portfolio Holder Advisory Groups (whereby each Portfolio Holder now has a greater spread of responsibilities across the divisions of the Council and individual Portfolio Holders will be taking 'ownership' of reports).

At its first meeting the Panel requested details of any of the Essex District Councils where there had been a significant change to allowances since the last review in 2010. Most of the Councils have seen a slight increase in allowances; three Councils (including Rochford) have kept their allowances the same. Maldon Council had increased its allowances significantly to bring them in line with other Essex authorities.

There had been no real representation from Rochford District Council Members in terms of the basic or special allowances.

The Panel was referred also to the report that would be going to the meeting of the Executive on 16 July, which discussed the possible redesign of the Council's staffing structure. Although the Council was looking at significant organisational changes during the next few months in order to effect financial and other savings, it was not clear whether this would impact on Member workload and responsibility. If at a later date it can be seen that the planned restructuring of the Council will have an impact on the demands made of Members, the Panel can be re-convened at this time.

Taking into account the overall economic climate, the comparison with allowances in other Essex authorities and no apparent significant increase in respect of workload/responsibilities, the Panel felt that there should be no increase in Members' remuneration for 2015/16.

Recommendation: That there is no increase in basic or special responsibility allowances for 2015/16.

2.4 Childcare and Carer's Allowances

The Panel had received feedback from one Councillor that the current childcare allowance of up to £6 per hour (when not using a childcare professional) does not fully cover the cost of getting a babysitter. (The current childcare allowance allows for a payment of up to £15 per hour maximum when using a qualified childcare professional; otherwise a rate of £6 per hour is payable). Childcare allowances across Essex Councils varied considerably. The Panel agreed that the basic childcare rate should be increased to a maximum of £10 per hour (actual cost to be paid), with £15 per hour still available to pay for professional childcare.

Recommendations: That the childcare allowance for the use of professional care be retained at £15 per hour and that the rate for other childcare be increased to up to £10 per hour maximum. All payments are to be subject to the following conditions:-

- Dependent children must be under the age of 16 and living at home with the Member and claims must be made for actual expenditure incurred.
- Allowance is claimed on production of a signed statement, which states that care has been provided by a babysitter.
- Any rate of the allowance above £10 per hour will only be paid on the basis of a formal receipt from a qualified childcare professional.
- Carer's allowance to be retained at up to £15 per hour maximum, subject to the following conditions:-
 - Elderly or dependent relatives must be living at the same address as the Member and claims must be for actual expenditure incurred.
 - Production of receipt from a professional carer must be supplied.

2.5 Pensions

The Panel was advised that, due to changes in legislation, Member allowances are no longer eligible for pension contributions.

2.6 Travelling Expenses and Subsistence Allowance

The Panel considered travelling expenses and subsistence allowance. Following a question from the Panel, it was confirmed that rates for subsistence payments for officers of the Council are set in accordance with the National Joint Council (NJC) national framework. The subsistence allowance for District/Parish Councillors is kept at the same level as is paid to Council officers. The Panel agreed that travel and subsistence allowances should remain in line with the officer rates.

Claims for travelling expenses must be based on one of the following:-

- Bus fare or second class railway train fare.
- A mileage allowance for use of the Member's vehicle, together with an additional allowance for passengers.
 - A private car allowance of 40p per mile.
 - A passenger allowance of 5p per mile.
 - A motorcycle allowance of 24p per mile.
 - A bicycle allowance of 20p per mile.

In certain circumstances, the amount of the actual fare of a taxi cab. This will only be paid in cases where use of public transport is not available or where excessive travelling time would be involved.

Subsistence Allowance

When attendance at a Conference, course, etc. is as a representative of the Council and involves the purchase of meals and/or overnight accommodation away from home, subsistence allowance is payable. This allowance is intended to cover expenses incurred on meals and hotel accommodation during absence from home and can only be paid when the approved duty is as a representative of the Council.

Subsistence rates have been changed to a meals basis with eligibility based on the time of day the meal is taken and time away from home.

Current rates of allowance are detailed below:-

1. The rates shall not exceed:-
 - (a) In the cases of an absence, not involving an absence overnight from the usual place of residence:-
 - i Breakfast allowance (more than 4 hours from normal place of residence – before 11am) £6.72

ii	Lunch allowance (more than 4 hours away from normal place of residence – including lunchtime between 12 noon and 2pm)	£9.28
iii	Tea allowance (more than 4 hours away from normal place of residence including period 3 pm to 6 pm)	£3.67
iv.	Evening meal allowance (more than 4 hours away from normal place of residence, ending after 7 pm)	£11.49

For overnight stays the actual cost of hotel accommodation will be claimable, subject to a maximum of £120 per night. This sum is increased to £180 per night if staying in Central London.

2. Central London means the City of London and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith, Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.
3. Any rate determined under paragraph 1 above shall be deemed to cover a continuous period of absence of 24 hours.
4. The rates specified in paragraph 1 above shall be reduced by an appropriate amount in respect of any meal provided free of charge by an authority or body in respect of the meal or the period to which the allowance relates.

NOTE: Allowances will be amended as and when rates payable to officers are amended to keep officer and Member rates identical.

Meals on Trains

When main meals (ie breakfast, lunch or dinner) are taken on trains during a period for which there is entitlement to a day subsistence allowance, the reasonable cost of the meals (including VAT) may be reimbursed in full, within the limits specified below.

In such circumstances, reimbursement for the reasonable cost of a meal should replace the entitlement to the day subsistence allowance for the appropriate meal period.

Limitations on reimbursement are:-

- (a) for breakfast, an absence of more than 4 hours before

11.00 am.

- (b) for lunch, an absence of more than 4 hours, including between 12 noon and 2.00 pm.
- (c) for dinner, an absence of more than 4 hours, ending after 7.00 pm.

Recommendation: That no change be made to existing travelling expenses and subsistence allowance.

2.7 Special Responsibility Allowance – Independent Persons and Parish Representatives of the Standards Committee and Members of the Independent Remuneration Panel

Recommendation: That the allowance for Independent Persons and Parish Representatives of the Standards Committee be retained at £425 per annum and that the allowance for Members of the Independent Remuneration Panel be retained at £425 per review.

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 The full details of the Parish/Town Councils Remuneration Review is set out in a separate report.

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August 2014