

REPORT TO THE MEETING OF THE EXECUTIVE 9 DECEMBER 2009

PORTFOLIO: OVERALL STRATEGY AND POLICY DIRECTION

REPORT FROM: HEAD OF INFORMATION AND CUSTOMER SERVICES

SUBJECT: INDEPENDENT REMUNERATION PANEL REPORT

1 DECISION BEING RECOMMENDED

- 1.1 To recommend to Council that it resolves to adopt the Remuneration Scheme for 2010/11 proposed by the Independent Remuneration Panel.

2 REASON/S FOR RECOMMENDATION

- 2.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require that each Council sets up an Independent Remuneration Panel to make recommendations about the level of allowances for Members.
- 2.2 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. The Panel has not recommended that any allowances should be pensionable.
- 2.3 The report of the Independent Remuneration Panel regarding District Council remuneration is attached at Appendix 1.
- 2.4 In summary, the main recommendations from the Panel are as follows:-
- Basic and Special Responsibility allowances to be retained at the 2009/10 levels (see paragraph 2.3 in Appendix 1).
 - Childcare allowance to be increased to up to £15 per hour and Dependant Carer allowance to be retained at the 2009/10 level of up to £15 per hour (paragraph 2.4 of Appendix 1).
 - No allowances to be eligible for pension contributions (paragraph 2.5 of Appendix 1).
 - The mileage rate to remain at 40p per mile (the tax threshold) and other travel rates and subsistence allowances to be up-rated in line with officer rates (paragraph 2.6 of Appendix 1).
 - The allowance for Independent Members of the Standards Committee and members of the Independent Remuneration Panel to be retained at the 2009/10 level (paragraph 2.7 of Appendix 1).

3 ALTERNATIVE OPTIONS CONSIDERED

- 3.1 The Panel considered a number of options for remuneration levels for 2010/11, including an increase aligned to the pay award for officers.

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 2010/11 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 is likely to be minimal.

6 PARISH IMPLICATIONS

- 6.1 The Independent Remuneration Panel has a role in reviewing Parish/Town Council remuneration schemes. In 2008 the Panel undertook a complete review and devised a common framework that could be applied by all Parish/Town Councils when considering remuneration schemes. In 2009 the Panel reviewed the framework but made no changes to it. Details are set out in the report attached at Appendix 2. This information 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 Information and Customer Services

Background Papers:-

Minutes of meetings of the Independent Remuneration Panel.

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**REPORT OF THE INDEPENDENT REMUNERATION PANEL TO
ROCHFORD DISTRICT COUNCIL – DECEMBER 2009**

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 The Panel met in April 2007 to advise on remuneration for the Executive Board and Area Committee Structure, and then reviewed this in December 2007. 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 reconvened to consider the impact of this new structure in June 2008. The Panel then carried out its annual review in November 2008.
- 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 allowances in District Councils in Essex
 - information about pensionable allowances
 - comments from Councillors.
- 2.2 The Panel was advised that the Council continued to perform well; it had scored a level 3 (out of 4) for the new, harder 'Use of Resources' test and had won a national recycling award in recognition of the vast improvement in the recycling rate in the past year.

2.3 Basic and Special Responsibility Allowances

The Panel considered the level of basic and special responsibility allowances. These had not been increased in 2009/10. Taking into account the overall economic climate and the comparison with allowances in other Essex authorities, the Panel felt that there should be no increase in Members' remuneration for 2010/11.

As noted in its previous year's report, the Panel did look again at the role of the Chairman of the Review Committee but saw no reason to increase this allowance at the current time.

Recommendation: That there be no increase in basic or special responsibility allowances for 2010/11.

2.4 Childcare and Dependant Carer's Allowances

The Panel was pleased that the Council had implemented these allowances as it was one way of ensuring that as wide a range of people as possible were encouraged to put themselves forward for election as they would then be able to carry out the full range of public duties without compromising their carer responsibilities. The Panel had received feedback that the current rate for childcare, at £6 per hour, was not sufficient if professionally trained and qualified people were used for this purpose. With the increasing emphasis on the need to provide professional quality childcare, the Panel believed this should be reflected in the allowances scheme.

Recommendations: That the childcare allowance be increased to up to £15 per hour maximum, all payments 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. The allowance can be claimed on production of a signed statement that care has been provided by a babysitter. Any rate of the allowance above £6 per hour will only be paid on the basis of a formal receipt from a qualified childcare professional.

Dependant Carer 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 a receipt from a professional carer must be supplied.

No cap to be applied to the overall annual level of carer's claims made by any individual Member in recognition of the fact that Members are responsible in this regard and that the scheme is intended to reimburse actual expenditure incurred.

2.5 Pensions

The Panel was asked to look at whether any allowances should be eligible for pension contributions. The Panel was provided with information about this from a national perspective, and it appeared that even where authorities had determined that an allowance was eligible, very few Members had taken this up. There would be a cost to the Council of such an approach. The Panel believed that the roles carried out and allowances received by Members at this Council were not suited to being eligible for pension contributions. The Panel would be interested in the views of Members in future years on this matter.

Recommendation: That no allowances should be eligible for pension contribution.

2.6 Travel and Subsistence Allowances

The Panel considered travel and subsistence allowances. The Panel had received comments that with the increase in petrol costs 40p per mile was no longer a suitable rate. The Panel believed that due consideration should be given to the relative costs of travel and that 40p per mile was acceptable in terms of the cost of running a car. However, the Panel did consider whether there was merit in increasing the level of this allowance to take it in line with officer mileage rates. On balance, the Panel decided that the mileage allowance should be retained at 40p per mile as this is the tax threshold, but would be interested in the views of Members in future years as to whether they would be content with dealing with the tax system if this allowance was to be raised to the officer level. Other travel and subsistence allowances should be up-rated in line with the officer rates.

Recommendations:**Travelling Expenses**

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

- Bus fare or standard class railway train fare
- A mileage allowance for use of the Member's vehicle 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 or 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.

The rates shall not exceed:-

In cases of an absence, not involving an absence overnight from the usual place of residence:-

- Breakfast allowance (more than 4 hours from normal place of residence – before 11am)
£6.72
- Lunch allowance (more than 4 hours away from normal place of residence – including lunchtime between 12 noon and 2pm)
£9.28
- Tea allowance (more than 4 hours away from normal place of residence including period 3pm to 6pm)
£3.67
- Evening meal allowance (more than 4 hours away from normal place of residence, ending after 7pm)
£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, meaning the City of London and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

Any rate determined under this scheme shall be deemed to cover a continuous period of absence of 24 hours.

The rates specified 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: Subsistence allowances will be amended as and when rates payable to officers are amended.

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 four hours before 11.00am
- (b) for lunch, an absence of more than four hours, including between 12 noon and 2.00pm
- (c) for dinner, an absence more than four hours, ending after 7.00pm.

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

Recommendation: That the allowance for Independent Members of the Standards Committee be retained at £425 per annum and 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.

Mike McDowall (Chairman)
Owen Richards
Steven Chelmsford

December 2009

**REPORT OF THE INDEPENDENT REMUNERATION TO
PARISH/TOWN COUNCILS - DECEMBER 2009**

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 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 same Independent Remuneration 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 Independent Remuneration Panel, but their recommendations are not binding.

2 PARISH / TOWN COUNCIL REMUNERATION REVIEW

- 2.1 In 2007/08 the Panel undertook some preliminary work around the feasibility of establishing a common framework of criteria to apply to Parish/Town Council allowances. This was in the context that there was a wide disparity between allowances paid in the Parish/Town Councils with little consistency as to how values had been established, and therefore comparison was difficult. The Panel continued this work in 2008/09 and as a result established a remuneration framework to recognise the relative responsibilities of Parish/Town Councils in providing services and managing budgets. This could also potentially assist in increasing the diversity of elected representatives by encouraging people to stand for election who otherwise would be unable to do so.
- 2.2 The Panel recognised that any framework scheme had potentially arbitrary dividing lines, but that nevertheless it would be of benefit to establish a framework of alignment that Parish/Town Councils could choose to work towards over time. Its application would be a matter for individual decision for each Parish/Town Council and the Panel recognised that certain Councils may not wish to set an allowance. The framework would set the maximum recommended for each Council.
- 2.3 The Panel asked all the Parish and Town Councils for their views on the application in practice of this framework and whether there were any issues that the Panel should consider.

- 2.4 The feedback from the Parish and Town Councils was interesting and it appeared that the framework was a useful concept, even in those Parish/Town Councils that did not pay allowances.
- 2.5 Rayleigh Town Council asked that the 40p mileage rate be reviewed. The Panel believed that due consideration should be given to the relative cost of travel and that 40p per mile was acceptable in terms of the cost of running a car. The Panel did consider, however, whether there was merit in increasing the level of this allowance to take it in line with officer rates, even though this would take it above the tax threshold level. On balance, the Panel decided that the mileage allowance should be retained at 40p per mile as this is the tax threshold, but would be interested in views in future years as to whether Members would be content with dealing with the tax system if this allowance was to be raised to the officer level.
- 2.6 The Panel, in considering the details of the common framework could see no evidence to change it or increase allowances in the current economic climate and therefore agreed that the Parish/Town basic allowance should remain being based on a percentage of the District Council basic allowance, with an additional 5% for those Councils that had achieved 'Quality' status.
- 2.7 It is therefore recommended that the existing framework be retained with maximum levels indicated:-

Parish / Town Council	% of RDC 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%

- 2.8 Using this framework, and taking into account an unchanged from 2009/10 Rochford District Council basic allowance of £4,250, the following recommendations are made for Parish / Town basic allowance in 2010/11:-

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

- 2.9 The Panel recommended that the Chairman's allowance remain at 50% of the appropriate Parish/Town Council basic allowance.
- 2.10 The Panel recommends that travel and subsistence, childcare and dependant carer's allowances should be set at the same levels as for Rochford District Councillors, as follows:-

Childcare and Dependant Carer's Allowances

That the childcare allowance be increased to up to £15 per hour maximum, all payments 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 for actual expenditure incurred. The allowance is claimed on production of a signed statement that care has been provided by a babysitter. Any rate of the allowance above £6 per hour will only be paid on the basis of a formal receipt from a qualified childcare professional.

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Any rate determined under this scheme shall be deemed to cover a continuous period of absence of 24 hours.

The rates specified 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: Subsistence allowances will be amended as and when rates payable to officers are amended.

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

2.11 The Panel recommends that these allowances should be paid for approved duties, as set out in the Local Authorities (Members' Allowances) (England) Regulations 2003.

Mike McDowall (Chairman)
Owen Richards
Steven Chelmsford

December 2009