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## **INDEPENDENT REMUNERATION PANEL – RECOMMENDATIONS FOR MEMBER ALLOWANCES**

### **1 SUMMARY**

- 1.1 This report seeks Members' agreement to recommendations relating to Member Allowances for 2002/03. This is a statutory service.

### **2 INTRODUCTION**

- 2.1 The Independent Remuneration Panel met again on 30 October and 21 November 2002, as they were required to reconsider all Member allowances, with specific regard to carer's support and out of pocket payments to advisers. The Minutes of these meetings are appended as Appendix 1 and 2.
- 2.2 The views of the Members of the Independent Remuneration Panel must be considered prior to any changes being made to the scheme of Members' Allowances.
- 2.3 At the first meeting the Corporate Director (Finance & External Services) had outlined the final decisions which had been made by the Council in response to their recommendations for 2001/02. The Panel noted that the basic allowance principles had been accepted.
- 2.4 The previous year had seen many principles and ground rules established and the Panel's work was now more about adjustment in some specific areas.

### **3 RECOMMENDATIONS OF THE PANEL**

#### **Basic Allowance**

- 3.1 The Basic Allowance figure should be at the discretion of the Council, subject to budgetary constraints and a maximum figure of £1,500.

#### **Carer's Allowance**

- 3.2 The Panel were pleased to note that the Council had requested that they give further consideration to this allowance (Minute 357/02). The Panel recommended that a Carer's Allowance should be provided in accordance with Government policy and as a means of contributing towards actual costs. The recommended sum would be £5 per hour on the basis of the 2001/02 caveats, but the original recommendation that a registered body must be used should be removed.

**Out of Pocket Payments for Advisers**

- 3.3 The Panel considered it reasonable that persons invited as advisers to Committee meetings should receive travel expenses on the same basis as Councillors, unless these could be claimed from the organisation they represented.

**Travel and Subsistence**

- 3.4 The Panel considered that the current rates for travel and subsistence compared favourably with other areas of the Public Sector and therefore no increases were recommended. The current allowances are shown at Appendix 3 of this report.

**4 DISCRETIONARY ALLOWANCES**

- 4.1 The Panel were disappointed that Members had not accepted the recommendation of basic and discretionary allowances contained within their original report. Attached at Appendix 4 are relevant extracts of the report.
- 4.2 They reaffirmed that their intention had been to cover the time and costs incurred by Members, particularly when travelling around their Wards to visit constituents.
- 4.3 The Panel recommended that the Council re-consider the principle of discretionary allowances, and they would then look at suggesting an option which could be administered more simply.

**5 CRIME AND DISORDER IMPLICATIONS**

- 5.1 None

**6 ENVIRONMENTAL IMPLICATIONS**

- 6.1 None

**7 RESOURCE IMPLICATIONS**

- 7.1 The costs of implementing the recommendations of the Panel at the maximum are shown on Appendix 5 of this report. This represents an increase in the Members' Allowance budget of around 12%, which is in line with the increase in Government Funding that the Council will receive next year. There will be an increase in the Travel and Subsistence budget if the recommendations of the Independent Remuneration Panel are accepted.

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- 7.2 With regard to costings for Carers' Allowances, there is no information to hand with regard to the personal circumstances of current councillors or what proportion of new councillors would be covered by the scheme. If Members were minded to support this concept, it is suggested that a nominal sum of £2000 be provided in the 2003/04 budget.

**8 LEGAL IMPLICATIONS**

- 8.1 None

**9 PARISH IMPLICATIONS**

- 9.1 None

**10 RECOMMENDATION**

- 10.1 It is proposed that the Committee **RESOLVES** to recommend to Council
- (1) That a scheme for Members' Allowances to take effect from 1 April 2003 be determined.
  - (2) That persons invited as advisers to Committee meetings should receive travel expenses on the same basis as Councillors, unless these could be claimed from the organisation they represented.
  - (3) That the general principle of discretionary allowances be re-considered. (CD(F&ES))

Roger Crofts

Corporate Director (Finance & External Services)

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**Background Papers:**

None

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**APPENDIX 1**

Notes of the meeting of the Remuneration Panel held on 30 October 2002.

**Panel Members Present**

John Adsett and Brian Plummer

**Council Officers Present**

Roger Crofts and John Bostock

**Apologies for Absence**

Alison Davies

**BACKGROUND**

Roger Crofts outlined the final decisions made by the Council in response to the recommendations of the Panel for 2001/02. The basic allowance principles had been accepted.

For this year there was a need to reconsider all allowances, with specific regard to carer's support and out of pocket payments to advisers.

**DISCUSSION**

The Panel discussed the approach undertaken for 2001/02, which had been very much about responding to new legislation that had required a somewhat radical approach. The previous year had seen many principles/ground rules established and the Panel's work was now more about adjustment in some specific areas.

On the basis that previous ground rules are retained, the Panel felt that recommendations could be made on specific areas as follows:-

**Basic Allowance**

The Basic Allowance figure should be at the discretion of the Council, subject to budgetary constraints and a maximum figure of £1,500.

**Travelling and Subsistence**

Whilst reserving the right for further review, there should be no increase in payments made for travelling and subsistence, which compare favourable to those available for other public bodies.

**Carers Allowance**

The Panel would strongly recommend that a Carers' Allowance should be provided in accordance with Government policy and as a means of contributing towards actual costs. The recommended sum would be £5 per hour on the basis of the 2001/02 caveats.

**Out of Pocket Payments to Advisers**

The Panel would consider it reasonable that persons invited as advisers to Committee meetings receive travel expenses on the same basis as Councillors. These would not be payable to persons attending as the representative of organisations for which they are a paid employee.

It was agreed that a further meeting of the Panel should be convened as soon as possible to facilitate finalisation of proposals by all Members.

**APPENDIX 2**

Notes of the meeting of the Remuneration Panel held on 21 November 2002.

**Panel Members Present**

John Adsett, Alison Davies and Brian Plummer

**Council Officers Present**

Roger Crofts and Margaret Martin

**GENERAL DISCUSSION**

The Panel questioned the content of Minute 444 of the Corporate Resources Sub-Committee held on 6 February 2002 in which Members had queried the age of 70 which had been quoted by the Panel in their report as being 'normal retirement age'. The Panel wished to confirm that this statement had been lifted from Government legislation.

Taking into account the discussion that had taken place at the meeting of the Remuneration Panel held on 30 October, together with the further discussion at this meeting, the following was recommended:-

**BASIC ALLOWANCE**

The Basic Allowance figure should be at the discretion of the Council, subject to budgetary constraints and a maximum figure of £1,500.

**TRAVELLING AND SUBSISTENCE**

The Panel were disappointed that Members had not been receptive to the concept agreed that their overarching aim in presenting their original recommendation of basic and discretionary allowances had been an attempt to provide "inclusivity". They reaffirmed their original view that this was needed in order to attract younger people into the role of Councillor, who are currently penalised by the present allowances.

The Panel noted that Members had felt that they would be out of pocket for attending meetings if the suggested lump sum payment had been agreed. The Panel's response was that their aim had been to recompense the travelling expenses incurred by Members, particularly for travelling around their Wards and visiting constituents. It was not considered appropriate to provide compensation over and above the actual amount incurred.

### **CARERS ALLOWANCE**

The Panel were pleased to note that this had been passed back by Members for further consideration, requesting that they give consideration to the full reimbursement of expenses and to removing the suggestion that a registered body must be used. (Minute 357/02 – Finance & Procedures Overview & Scrutiny Committee, 23 July 2002).

### **OUT OF POCKET PAYMENTS FOR ADVISERS**

The Panel reaffirmed their views from the previous meeting with a slight amendment to now read as follows:

Persons invited as advisers to Committee meetings should receive travel expenses on the same basis as Councillors, unless claimable from the organisation they represent.

### **DISCRETIONARY ALLOWANCES**

The Panel were disappointed that their recommendations relating to Discretionary Allowances had not been taken on board by Members (Minute 77/02 from Council on 26 February 2002).

The Panel agreed that it would be possible to suggest a more flexible option and wished to request the following of Members:-

- Do they accept the principle of discretionary allowances?
- If so, would they look at this again and give some direction, whereby this could be simplified administratively.

### **REPORT TO COMMITTEE**

The Panel noted that:-

- the above recommendations would be presented to the meeting of the Policy & Finance Committee to be held on 14 January 2003, where the basic allowances would be recommended to the meeting of Full Council to be held on 28 January 2003.
- the decision would be published in the local press.
- a report had been made to the Audit Committee this year to state the cost of not doing what had been recommended by the Panel.

### **DATE AND TIME OF NEXT MEETING**

A further meeting of the Remuneration Panel was arranged to be held on Thursday 23 January 2002, 6.30 pm at the Civic Suite, Rayleigh so that the Panel might be briefed on the outcome of their recommendations.

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**APPENDIX 3**

Travelling Expenses

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

Bus fare or first class railway train fare

A mileage allowance for use of the Member's vehicle, together with an additional allowance for passengers. The rates are:-

Private car/motor cycle with cylinder capacity:-

	Pence per mile
(a) Not exceeding 999cc	35.6
(b) 1000cc-1199cc	40.7
(c) Over 1199cc	50.0

Passenger allowance **3p** per mile for first passenger, **2p** per mile for second and subsequent passengers.

Motor cycle rates:

(a)	Up to 150cc	8.8
(b)	151cc-500cc	12.7
(c)	Over 500CC	17.0

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.

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**APPENDIX 4**

**EXTRACTS FROM THE REPORT AND RECOMMENDATIONS  
OF THE INDEPENDENT REMUNERATION PANEL ON  
MEMBERS' ALLOWANCES - January 2002**

**4 BASIC ALLOWANCE**

- 4.1 We decided that the way the allowances should be set for the new scheme was by finding an appropriate daily payment rate and establishing the appropriate number of days that each Member spends in carrying out his/her responsibilities.
- 4.2 In making this assumption the Panel has looked at benchmark figures of the national minimum wage and the national minimum average, assuming a voluntary element of 33% as per para 3.2 above. This is based on an initial assessment of two days per week.
- 4.3 Using this formula, we believe that the appropriate rate would be £122 per month, but recognising that this represents a 28% increase in total, we would recommend that this should be phased in over a period of 5 years. We therefore recommend that the basic allowance for 2002/3 should be £100 per month. We recommend that the Council agree to phase this in over the five year period and that the allowances should automatically be increased to reflect annual increases in the national minimum wage.

**Discretionary Component of Basic Allowance**

- 4.4 It is recommended by the Panel that there should be a discretionary element to the basic allowance, which would be a maximum of an additional 50% of that allowance, ie £50 per month.
- 4.5 It is further recommended that this discretionary payment should be made on a monthly basis via invoice, but the approval of such would be under the auspices of the appropriate Group Leader until such time as the appropriate Overview/Scrutiny Committee is operational, when it will have the overall accountability.

**Eligibility for the Discretionary Component of Basic Allowance**

- 4.6 Time incurred visiting constituents at their request in regard to direct Council business).
- 4.7 Attendance by a Councillor who has been given approval by the Council to act as a representative to an outside body. It is recommended by the Panel that there would be an expectation of a

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brief précis of the meeting (recognising the need under certain circumstances for confidentiality) that would be made available to any interested parties.

- 4.8 The Panel recognise the importance of Councillors having a high profile and visibility to the general public and therefore would recommend that they make every effort to attend appropriate public gatherings, for which claims may be made in respect of the discretionary component of the basic allowance.

## **6 TRAVEL AND SUBSISTENCE**

- 6.1 The Panel recognises that the previous scheme of reimbursement of travel and subsistence should be replaced by a system of basic and discretionary allowances; the basic allowance to be paid annually.
- 6.2 Although the Panel sees visiting constituents and travelling around Wards as part of the responsibility of a Councillor and therefore a basic part of their duties, we recognise the big differences in the geography of the area and the perception of these duties by Councillors.
- 6.3 The higher allowance would be paid to Councillors in those Wards of a more rural nature, as follows:-

### **Basic - £100 per annum**

Downhall, Hawkwell East, Hawkwell West, Hockley Central, Hockley East, Hockley West Lodge, Rayleigh Central, Rochford & Eastwood, Rochford Roche, Rochford St Andrews, Trinity, Wheatley, Whitehouse.

### **Higher - £200 per annum**

Ashingdon, Barling & Sutton, Canewdon, Foulness & Great Wakering East, Grange & Rawreth, Great Wakering Central, Great Wakering West, Hullbridge Riverside, Hullbridge South.

When the revised Ward boundaries take effect from 2 May 2002, the following would apply:-

### **Basic - £100 per annum**

Hawkwell North, Hawkwell South, Hawkwell West, Hockley Central, Hockley North, Hockley West, Lodge, Rayleigh Central, Rochford, Trinity, Wheatley, Whitehouse

### **Higher - £200 per annum**

Ashingdon & Canewdon, Barling & Sutton, Downhall & Rawreth, Foulness & Great Wakering, Grange, Hullbridge, Sweyne Park

6.4 The allowance should be paid for those items in the list of approved duties, identified accordingly:-

<b>BASIC ALLOWANCE</b>	<b>DISCRETIONARY ALLOWANCE</b>
A meeting of the authority	A meeting which has both been authorised by the authority, a committee or sub-committee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee
A meeting of a committee or sub-committee of the authority	A meeting of a local authority association of which the authority is a member
A meeting of some other body to which the authority makes appointments or nominations	Duties undertaken on behalf of the authority in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened
A meeting of a committee or sub-committee of a body to which the authority makes appointments or nominations	Duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises.
	Duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purpose of section 342 of the Education Act 1996.
	Carrying out any other duty approved by the body, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the body, or of any of its committees or sub-committees.
	Time incurred visiting constituents at their request in regard to direct Council business
	attendance with the Council's prior approval as a representative to a meeting of an outside body
	Attendance at public gatherings

6.5 The discretionary allowance for those approved duties as described above is payable against claim.

6.6 It is a recommendation of the Panel that this discretionary payment should be made on a monthly basis via invoice, but the approval of such would be under the auspices of the appropriate Group Leader.

6.7 It is further recommended that when the appropriate Overview/Scrutiny Committee is operational, it will have the overall accountability.

**Travel**

- 6.8 The Panel recommended that it would be a fairer dispensation if claims were made on the basis of a mileage allowance of 40p per mile within the District, irrespective of the mode of transport and in line with the Council's green policy.
- 6.9 For travel outside the district, claims would be on the basis of standard rate fares using the cheapest form of travel.