

MEMBERS ALLOWANCES – CONSULTATION ON DRAFT STATUTORY GUIDANCE

1 SUMMARY

- 1.1. This report advises Members of the receipt of the above and the officer response. Should Members wish to make further comments, these can be forwarded to the Department of the Environment, Transport and Regions on 21 March. A copy of the consultation document is attached at Appendix 1 to this report.
- 1.2. The report also seeks approval to officers taking immediate steps to advertise for people to form an Independent Remuneration Panel.

2 INTRODUCTION

- 2.1. The consultation document was issued on 21 February and comments are required by 20 March. An officer response has been despatched, a copy of which is attached as Appendix 2 to this report.
- 2.2. The main thrust of the Guidance is that authorities such as Rochford which have determined to continue paying Attendance Allowances next financial year, will be required to bring in a new system from 28 July 2001.
- 2.3. The authority must set up an independent Remuneration Panel in order to determine a new system of allowances. The new allowances come into effect on 28 July 2001. The new system will ban the payment of Attendance Allowances. The new allowances will be:-

- Basic allowance
- Special Responsibility allowance
- Childcare and Dependent Carers' allowance
- Travel and Subsistence allowance
- Conference and Meeting allowance

The Basic allowance must be set, the other allowances are all discretionary.

- 2.4. From 4 May 2001, all authorities will be under a duty to set up an Independent Remuneration Panel of at least three members. The Panel may not include a Member of another local authority.
- 2.5. The membership of the Panel should represent the diversity of communities in the local authority area. The appointment process should command public confidence.

- 2.6. Provided the objectives in paragraph 2.5. above are met, it is up to the authority to determine how it seeks Panel members. This can be a mix of using direct approach to particular stakeholders to general advertisement.
- 2.7. The Panel Members should be appointed for a specific term of office. In order to attract personnel, it will probably be necessary to agree a remuneration package.
- 2.8. With regard to Rochford, the Panel will need to determine a new allowance scheme based upon the existing political structure. This work will need to be undertaken quickly in order for Council to determine the new allowances at its meeting on 24 July 2001.
- 2.9. The Panel will then need to determine a new allowance system for 2002/03, based upon whatever new political structure is agreed by Council.

3 THE WAY FORWARD

- 3.1. Council now needs to determine the following:-
 - ◆ Number of Panel members
 - ◆ Methods of attracting personnel
 - ◆ Remuneration of Panel members
 - ◆ Length of membership
 - ◆ Provision for removal of Member of the Panel.
- 3.2. With regard to numbers, it is suggested that a small Panel of members would work better than a larger one. It is, therefore, suggested that there should be either three or five members.
- 3.3. In order to ensure the process is totally transparent, it is suggested that an open advertisement be placed in the local press.
- 3.4. With regard to remuneration, it is suggested that a flat rate payment of £300 per person for each review exercise be offered.
- 3.5. It is proposed that staggered terms of office are offered in order to ensure some continuity of experience is retained.
- 3.6. Provisions should be in place to dismiss members of the Panel where they may become discredited owing to their actions.
- 3.7. The above are the key issues; the full range of considerations raised by the Government is contained in the attached Guidance.

- 3.8. Experience in other local authorities shows that independent remuneration panels have suggested increased levels of allowance. It is for the Council to determine the level of allowances to be paid. Nevertheless, they must take into consideration the recommendations of the Panel.

4 RESOURCE IMPLICATIONS

- 4.1. There are resource implications resulting from advertisement costs and Panel remuneration costs which will be around £4,000 in 2001/02. These can be met from the Best Value Consultation budget.
- 4.2. There will be a staff resource implication in that full administrative support will need to be given to the Panel. This will be met from within the existing staff resource.
- 4.3. There will be a budget implication should the Panel recommend increases in allowances which are accepted by Members.

5 RECOMMENDATION

It is proposed that Council **RESOLVES**

- (1) To note the officer response to the consultation and determine any further views.
- (2) To determine a view with regard to taking immediate steps to set up an independent Remuneration Panel.

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