
MEMBERS' ALLOWANCES

1 SUMMARY

- 1.1 The purpose of this report is to agree a new scheme of Members' Allowances and travel and subsistence allowances to take effect from 1 January 2004.

2 BACKGROUND

- 2.1 In July 2003, new regulations came into effect which require all Councils to agree new Members' Allowances and travel and subsistence allowances to come into effect from 1 January 2004.
- 2.2 Under the new regulations, any scheme currently in existence falls on 31 December 2003. No allowances of any kind are allowed to be paid after that date unless the Council has agreed a new scheme beforehand.
- 2.3 As with the existing scheme, Members must have regard to the recommendations of the Independent Remuneration Panel in setting the new allowances. In two specific instances, namely pension provision and index linking, the recommendations of the Panel may be binding. These are discussed in more detail later in the report.

3 RECOMMENDATIONS OF THE REMUNERATION PANEL

- 3.1. Minutes of meetings of the Independent Remuneration Panel are attached at Appendix 1 of this report. The recommendations are explained in further detail below.

Basic Allowance

- 3.2 The Panel recognised that the level of allowances was the lowest in Essex and certainly one of the lowest in the country. The Panel believed that the current rates were unsustainable at the existing level and a policy of increasing them up to the Essex average should be adopted.
- 3.3 The current rate of £1,500 per annum was significantly less than the Essex average which is just over £3,600 per annum. The Panel felt that, to increase the allowance in one year would create difficulties with public perception. There may also be issues in respect of budgeting for the increase in one year.
- 3.4 The Panel, therefore, recommended an increase of £700, with further increases in the following two years with a view to achieving parity with the Essex average. The Panel noted that the Essex average will increase and therefore this will need to be taken into account in assessing future years' increases.

Special Responsibility Allowances

- 3.5 The Panel was pleased that the majority of Members was in agreement with the “cascade” system of allocating special responsibility allowances. As Members also supported the existing percentage allocations, the Panel recommended that the existing system should be continued in the new scheme.

Carer’s Allowance

- 3.6 Following previous recommendations, the Panel has a firm view that a carer’s allowance should be available. This co-incides with Government thinking and may encourage a wider section of the population to put themselves forward as candidates for election. A decision to include a carer’s allowance would, therefore, be more socially inclusive.
- 3.7 The recommendation for a carer’s allowance would be £5 per hour to a maximum of £500 per annum. The recommendation of the Panel for 2003/4 allowances withdrew the proviso that a recommended body should be used. If the recommendation for a carer’s allowance is agreed, the Panel suggests that payment should only be made where a formal payment is made to an independent third party.

Co-optee’s Allowance

- 3.8 Where it was necessary to co-opt a person to serve on a Committee, or where there was a statutory requirement such as the appointments to the Standards Committee, a payment comparable to that for the Independent Remuneration Panel be used. This would equate to a payment of £300 per annum.
- 3.9 The costings and resulting allowances associated with the above recommendations are set out at Appendix 2 of this report.

Travel and Subsistence

- 3.10 The Panel accepted a Member suggestion that the future travel and subsistence allowances should be paid at the same rate as currently applied to officers of the Council.
- 3.11 The Panel considered, however, that a limit should be placed on the cost of hotel accommodation. This was set at £83 per night outside of London. A £12 supplement was recommended for central London.
- 3.12 The Panel also acceded to a view put forward that Members wishing to visit a Committee meeting should also be entitled to claim travelling expenses. They have, therefore, recommended that visiting Members are reimbursed their travel expenses, but that this decision be reviewed next year in the light of experience.
- 3.13 The allowances are set out at Appendix 3 of this report. There are no significant budget implications of adopting these allowances.

Pensions

- 3.14 The Panel was of the view that pensions should not be applicable. This decision is binding upon Members of the authority. If the Panel had recommended that pensions should apply, Members would have been able to disregard the recommendation.

Inflation Linking

- 3.15 The Panel is able to recommend index linking of the scheme for up to four years. This would obviate the need for the Panel to be convened unless changes to the scheme were to be required. The Panel was of the view that index linking should not be recommended at this stage, particularly as there was a need to review increases in the next two years in order to achieve the objective of basic allowances reaching the County average.
- 3.16 As with the recommendation in respect of pension provision at 3.8.1. above, this decision is binding upon the Council. If the Remuneration Panel had chosen to recommend index linking, the Council could have agreed not to accept the recommendation.

4 RESOURCE IMPLICATIONS

- 4.1 The recommendations made by the Panel will increase the Members' Allowance budget by just under £36,000. This has been taken into account in the budget strategy.

5 RECOMMENDATION

It is proposed that Council **RESOLVES**

To agree a new scheme of Members' allowances and travel and subsistence allowances to be implemented from 1 January 2004.

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 **15 October 2003**.

Panel Members Present

John Adsett, Steven Chelmsford and Alison Davies.

Council Officers Present

Roger Crofts and John Bostock.

REVIEW OF MEMBERS' ALLOWANCES AND TRAVEL AND SUBSISTENCE ALLOWANCES

It was noted that this year's review needed to be completed in order for the Council to consider the Panel's report before 31 December 2003. Failure to meet the deadline would mean that the Council could not continue to pay allowances past 1 January 2004. It was also noted that:-

- The Panel was required to make a recommendation as to whether or not any of the allowances should attract a pension. The Council would be able to reject any recommendations relating to payment of a pension. The Council would be required to abide with a Panel decision that pensions should not be paid.
- Allowances in respect of Parish/Town Councils now had to be included in considerations. A key decision would be whether to treat each Council separately or as a group.

Roger Crofts tabled copies of the Statutory Instrument relating to the ODPM Guidance on Consolidated Regulations for Local Authority Allowances. The results of an IDEA survey of basic allowance averages across the region was also tabled. It was confirmed that, to date, Member feedback relating to the existing scheme of allowance had pointed to a feeling that Rochford was perhaps out of step with other authorities.

During debate the Panel endorsed an observation that, given ODPM concerns about inclusivity and provision for Carers Allowance, it would be appropriate to revisit the Carers Allowance aspect. It was observed that the Panel had previously recognised that Rochford allowances were adrift from those of many other authorities.

It was agreed that it would be of value to consult Members on the current level of allowances to ascertain whether they consider they are currently being financially penalised in real terms. This could be achieved via written communication with Group Leaders/independent Members. IDEA statistics could also be useful in assisting identification of authorities which have a Carers Allowance.

Recognising the tight timeframes involved in this year's process it was:-

Agreed

1. That further meetings of the Panel be scheduled for 6 November (6.30pm), 14 November (4.00pm) when more information would be available on the Parish/Town Council position and 11 December (6.00pm).
2. That Members be consulted about their views on the current level of allowances in advance of the next Panel meeting.
3. That information on the percentage of Local Authorities paying Carers Allowance be provided as soon as possible.
4. That copies of the final conclusions on allowances made by the Council in previous years be made available to each Panel Member (via e-mail where possible). Copies of other previous salient documentation to be provided to Steven Chelmsford as a new Panel Member.

The meeting commenced at 6.30pm and closed at 7.00pm.

Notes of a meeting of the **Independent Remuneration Panel** held on **14 November 2003**.

Panel Members Present

John Adsett, Steven Chelmsford and Alison Davies.

Council Officers Present

Roger Crofts and John Bostock.

REVIEW OF MEMBERS' ALLOWANCES AND TRAVEL AND SUBSISTENCE ALLOWANCES

Rogers Crofts tabled an information pack containing responses received to date from the Clerks of the Parish/Town Councils. It was noted that a deadline of Friday, 21 November had been given for individual Member responses. The Panel would be furnished with all responses received after this time.

Turning to the possible contents of a final report, the Panel agreed that key elements had been identified at the last meeting and reflected in the Minutes. The following additional observations were made:-

Basic Allowance

Provision for inflation should be included in the staged rise. This aspect would be part of the annual review. The provision would be subject to future, as yet unknown, factors including changes to guidance.

Special Responsibility Allowances

The system of basing special responsibility allowances on a percentage formula should be retained.

Travel and Subsistence

On the basis of the current Officers' Scheme it was agreed that the overnight allowance for hotel accommodation should be recommended at £83 (with an additional £12 supplement for Central London).

Carers' Allowance

Based on average meeting lengths, the payment amount should be recommended at £5 per hour up to a maximum of £500 per annum (reviewed next year). Last year's recommended provisos to be retained.

Co-Optees' Allowance

This should be on the same basis as that attracted by independent Remuneration Panel Members.

Visiting Members

This should be piloted for one year.

It was agreed that the final report should also include reference to Panel recognition that the existing scheme of allowances was very low in the context of other authorities and that some redress would be appropriate. Input from individual Councillors should be acknowledged and salient observations within the pre-amble to last year's report, including those around Carers Allowance (plus its inclusion in recent guidance) retained.

In terms of Committee meetings, the Panel agreed that the figures published last year demonstrated commendable attendance. Whilst training attendance figures were lower, it was noted that training arrangements were addressed by the Council's Standards Committee.

With regard to Town/Parish Councils, Roger Crofts confirmed that there had been some indication of a preference for reimbursement of expenditure incurred rather than the setting of a basic allowance. Whilst further consideration was required, it was observed that an allowance could be of value in the context of being able to attract someone who could make a difference to a role but would not be able to afford to contribute without an allowance.

The meeting commenced at 4.00pm and closed at 4.57pm.

APPENDIX 2

MEMBERS ALLOWANCES – PROPOSALS

Allowance	Current Scheme	Scheme at Suggested Maximum
	£	£
Basic	1,500	2,200
Group Leader – Conservative	1,651	2,422
Deputy Group Leader – Conservative	183	269
Group Leader – Labour	530	777
Deputy Group Leader – Labour	59	86
Group Leader – Liberal Democrat	571	838
Deputy Group Leader – Liberal Democrat	63	93
Group Leader – Independent	0	0
Deputy Group Leader – Independent	0	0
Committee Chairman	600	880
Committee Vice Chairman	150	220
Sub Committee Chairman	0	0
Chairman	3,000	4,400
Vice Chairman	750	1,100
Proposal for Carers Allowance		2,000
Total Cost for Year (All Members claiming)	72,058	107,685

Note: Group Leaders and Deputy payments will change after the June elections.

APPENDIX 3**TRAVEL ALLOWANCES****Car Rates payable**

Casual user: Cars up to 999cc	36.4p per mile
Cars up to 1199cc	40.2p per mile
Cars over 1199cc	49.9p per mile

Wherever possible public transport should be used. Where this is not possible the above mileage rates may be claimed. Where Members do not have access to their own transport and public services are unavailable, taxis may be used and the full fare payable will be reimbursed.

Subsistence Rates

Breakfast	£5.39
Lunch	£7.45
Tea	£2.94
Evening Meal	£9.21

Overnight allowance on training course meeting	£3.63
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For overnight stays the actual cost of hotel accommodation will be claimable, subject to a maximum of £83 per night. This sum is increased to £95 per night if staying in central London.