MEMBERS' ALLOWANCES

1 SUMMARY

1.1 The purpose of this report is to agree amendments to the scheme of Members' Allowances to come into effect from 1 April 2006.

2 INTRODUCTION

2.1 Attached at Appendix 1 is a copy of the notes of the meetings of the Remuneration Panel held on 26 October and 10 November 2005.

3 ALLOWANCES

3.1 The Remuneration Panel has made the following recommendations:-

- Basic allowance of £3,800.
- Existing cascade system and percentage allocations of Special Responsibility Allowances. The effects of these are shown at Appendix 2 of this report.
- Introduction of a Carer's Allowance
- Introduction of an allowance for Chairmen of Sub-Committees.
- Maintain co-optees' allowance at £300 per annum.
- Travel and subsistence to be paid at the same rate as for officers as at 1 April 2006 subject to a maximum of 40p per mile. The allowances for a passenger, motorcycle and bicycle would be retained at the same rate.
- Allowances should not be pensionable.
- Index linking should not be applicable.

4 RESOURCE IMPLICATIONS

4.1 The financial impact of the proposed scheme of allowances has been included within the budget strategy.

5 LEGAL IMPLICATIONS

5.1 All Councils must set a Basic Allowance. Any amendments to the scheme of allowances may be agreed when the Council has taken into account the views of an Independent Remuneration Panel.

6 RECOMMENDATION

6.1 It is proposed that the Committee **RECOMMENDS** to Full Council

A scheme of allowances taking into account the views of the Independent Remuneration Panel.

Roger Crofts

Corporate Director (Finance & External Services)

Background Papers:-

None

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APPENDIX 1

REMUNERATION PANEL – 26 OCTOBER 2005

Notes of a meeting of the **Remuneration Panel** held on **26 October 2005**.

Panel Members Present:

Maureen Botham, Steven Chelmsford and Tracy Halpin

Council Officers Present

Roger Crofts (Corporate Director (Finance & External Services)) and John Bostock (Principal Committee Administrator)

1 REVIEW OF MEMBERS' ALLOWANCES AND TRAVEL SUBSISTENCE ALLOWANCES 2006/07

Roger Crofts furnished the Panel with information on the review of overview and scrutiny in Rochford being undertaken by the Finance and Procedures Overview and Scrutiny Committee and the potential implications for changes to the committee structure. Any changes would be agreed by Council on 22 December 2005 for application in the new municipal year. Given timing, it would be appropriate for the Remuneration Panel to consider Allowances that could be associated with both the current and proposed committee structure. As part of its review, the Overview and Scrutiny Committee had asked the Panel to consider if sub-committee chairmen should attract an Allowance. The Chairman of the Finance and Procedures Overview and Scrutiny Committee had offered to report to the Panel on proposed committee arrangements if this was considered appropriate.

Roger Crofts confirmed that it may be appropriate to review the Allowance associated with the Chairman/Vice-Chairman of the Council's role and that both Hockley Parish Council and Rayleigh Town Council had asked if the Panel would be prepared to agree that their Allowances be based on a formula that relates to a percentage of District Allowances.

During discussion it was agreed that it would be appropriate to reserve reaching a conclusion about Parish/Town Council Allowances pending evaluation of overall workload. Responding to questions, Roger Crofts advised on the historical background to the current Allowance position and the nature of the costs that could be associated with the role of Chairman of the Council. Roger also advised that:-

- The Authority was currently awaiting guidance from CIPFA on the question of whether there should be external representation on an Audit Committee.

- Officers would continue to work on obtaining information on Allowances paid by other authorities (there having been minimal response to date).

- Current budgetary provision was based on Allowances being brought up to the Essex average.

- In the context of other Allowances, it would be appropriate for any payment for the role of sub-committee chairman to be in the form of a fixed sum rather than a sum per meeting.

There was some discussion around previous Council decisions not to introduce a Carer's Allowance, including how this may be viewed in the context of introducing, say, an Allowance for sub-committee chairmen. It was observed that Basildon, Chelmsford and Epping Forest Councils applied Carer's Allowances. With regard to sub-committee chairmen, there was consensus that any Allowance should only be paid in instances where appointees are not already the Chairman or Vice-chairman of a committee and that it should only be paid once to each appointee.

During discussion of overall likely costs, it was observed that one possibility could be to consider how Allowances could be applied to a new committee structure if a decision was made that there should be no change to the overall budget associated with the current structure. There was consensus that such an approach could be somewhat contrary to setting Allowances at a level that may encourage involvement and that, in the context of the Council's overall budget, differences are unlikely to be significant.

With regard to Travel and Subsistence Allowances it was felt that it would be appropriate to address the provision for being able to claim first class railway train fare for journeys, which did not seem to sit particularly well with a public service ethos. It was noted that officer Allowance arrangements meant that first class fare would only be claimed if business reasons dictated. It was agreed that it would be appropriate for this to be reviewed on the basis of, say, provision for claiming first class for journey times that are greater than two hours. The Panel had no particular issues with other aspects of Travel and Subsistence Allowances.

It was agreed that, if possible, the next Panel meeting should include an opportunity to question the Chairman of the Finance and Procedures Overview and Scrutiny Committee on the committee structure proposals. The meeting would also be able to review information on Allowances that had been received from other Authorities and give specific consideration to the Allowances associated with the role of Chairman/Vice-Chairman of the Council.

The next meeting was provisionally scheduled for 5.00pm on Thursday 10 November at the Civic Suite, Rayleigh. (23 November to be the fall-back date if required).

The meeting commenced at 5.00pm and closed at 6.30pm.

REMUNERATION PANEL – 10 NOVEMBER 2005

Notes of a meeting of the Remuneration Panel held on 10 November 2005

Panel Members Present:

Maureen Botham, Steven Chelmsford and Tracy Halpin

Council Officers Present

Roger Crofts (Corporate Director, Finance & External Services) and Margaret Martin (Committee Administrator)

2 NOTES OF LAST MEETING

The Panel agreed that the Notes of the last meeting had omitted the detail of their proposals in respect of an allowance for Sub-Committee Chairmen, as follows:-

- If a Member were a Chairman of more than one Sub-Committee during any municipal year, only one payment would be made.
- If there were a change of Chairman to any Sub-Committee during a municipal year, the new Chairman would also get the allowance.
- If a Member continued to be the Chairman of a Sub-Committee across a municipal year, no new payment would be made.

3 REVIEW OF MEMBERS' ALLOWANCES AND TRAVEL SUBSISTENCE ALLOWANCES 2006/07

The Panel welcomed Cllr Keith Hudson to the meeting. As the Chairman of the Council's Finance & Procedures Overview & Scrutiny Committee, Cllr Hudson reported on the Council's proposed new committee arrangements.

The Panel noted the following points around the rationale behind the proposals:-

- Currently three overview & scrutiny committees existed which mirrored three policy committees.
- As a fourth option authority, the Council's existing structure had been set up in 2002, in line with the Local Government Act 2000. Officers had delivered what at that time was considered to be the best structure.
- With the existing overall political majority within the Council, this had not hampered decision-making, but would lead to difficulties if the balance of power in future years changed so that it became difficult to achieve a consensus of opinion.

- Committees, therefore, needed to be restructured to be flexible enough to take account of any political make-up that may occur in future years.

- The proposed re-structuring provided for a Review Committee comprising 8 Members and, where appropriate, officers/invited others, who would also form part of the decision making process. This Committee would be tasked with looking out into the community and carrying out appropriate reviews. The information gathered would then be taken into the appropriate Policy Committee, which would be responsible for formulating policy.

- With the existing structure the overview and scrutiny committees monitored what the policy committee had agreed.

- The Review Committee would be able to go back to the original Policy Committee to check whether the work had been carried out as agreed. If the Review Committee felt that something should be looked at in more detail, a Sub-Committee of a few Members could be formed to look at the issues.

- The overview and scrutiny committees had been used as Sub-Committees to the Policy Committees.

- The new structure would enable those who created the policy to be able to see at first hand what was happening.

- There was a great deal of work involved in the role of a Sub-Committee Chairman and this should be addressed by the introduction of an allowance.

- It was envisaged that this additional cost would fall well within the sum of £5,000 for the forthcoming municipal year.

The Panel confirmed their disappointment at the Council's previous rejection of their recommendation that a Carer's Allowance should be payable to ensure that Councillors were not prevented from carrying out their role because of caring responsibilities they might hold. The current Membership of the Council was not representative of the demographic make up of the District and this would go some way to addressing issues that might prevent people in the future from seeking to become a Councillor.

Cllr Hudson indicated that the Members would be pleased to re-consider such a recommendation, particularly if it were emphasised that the intention was to address all caring responsibilities, not simply those of child care.

Cllr Hudson was thanked for his helpful input to the meeting.

The Corporate Director advised that:-

- A Carer's allowance should be identified as a claim for expenses incurred in hiring a replacement carer. The claimant would be required to produce a receipt.

- Paying it as a straight payment could affect a person's benefit but that statutory guidance required it to be called an 'allowance'. This would mean the payment could then be provided as evidence for income tax purposes.

- He would confirm that this would not have an adverse effect on anyone who was eligible for benefit payments.

The Panel welcomed Marian Horsley the Castle Point and Rochford Carer Support and Development Officer, who had been invited to attend the meeting for the purpose of assisting in providing background information around the recommendation of a Carer's Allowance.

Ms Horsley tabled a document that had been prepared in conjunction with a colleague officer. In summary, the following was noted:-

- There was a duty to promote equality, which was supported by the Carers Equal Opportunities Act 2004.

- It had been estimated that carers 'saved' the economy somewhere in the region of £57 million per year and it therefore made financial sense to support carers in becoming part of the Council.

- In order to ensure that carers were able to actively participate in representing the public, it was necessary to recognise the barriers that would prevent them from achieving this.

- The Council needed to be able to demonstrate that they were seeking to widen the range of participation and thus improve its standing within the community.

The Panel agreed that it would be important to review the impact of this allowance in a year's time.

The Panel thanked Ms Horsley for her contribution.

The Corporate Director provided the Panel with a breakdown of Members' Allowances in a number of other Essex authorities and it was agreed that the basic allowance be set at £3,800, reflecting the Essex average.

In considering the payment to Sub-Committee Chairman, it was recognised that whilst sub-committees were task and finish groups, there could be a great variance in the amount of meetings that needed to be held before a task was completed. This would need to be paid as an allowance for the post held,

rather than on an attendance basis. It was agreed that it would be appropriate to set this as 10% of the basic allowance. Again, the impact of this payment would be reviewed in a year's time.

In respect of lay people who might be appointed to the Review Committee under the proposed new structure, it was agreed that they should be paid on the same basis as the members of the Remuneration Panel/independent Members of the Standards Committee.

Similarly, ad-hoc invitees to Committees in an advisory capacity would be able to claim a travelling allowance.

In respect of other allowances the following was agreed:-

- All allowances would remain at the same percentage of the basic allowance as last year and it was confirmed that it was not appropriate for them to be superannuable. Whilst it was considered appropriate this year to maintain the Chairman/Vice-Chairman of the Council's allowance at the same percentage as last year, this should be reviewed again next year.

- In response to the request made by Hockley Parish Council and Rayleigh Town Council, it was agreed that this be set at 25% of the District's basic Members' Allowance.

- As in past years, travelling expenses would be in line with the officer scale as at 1 April 2006. Due to the infrequency of claims for rail travel, it was felt that first class rail travel should be allowed for journeys in excess of two hours.

- Overnight stays in hotels were also infrequently claimed and therefore, should be uplifted to a more realistic figure of £95 and £100 in Central London.

The Panel agreed that it would want to review all allowances in a year's time.

The Panel's recommendations would be reported to the meeting of the Policy & Finance Committee to be held on 7 December and then on to the meeting of Council on 22 December 2005.

The Panel thanked Mr Crofts for the support he had provided and wished him well in his retirement.

The meeting commenced at 5.00 pm and closed at 7.15 pm.

APPENDIX 2

MEMBERS ALLOWANCES – PROPOSALS

Allowance	Scheme At Suggested Maximum £
Basic	3,800
Group Leader – Con	3,552
Deputy – Con	395
Group Leader – Lab	0
Deputy – Lab	0
Group Leader – Lib	1,342
Deputy – Lib	149
Group Leader – Ind	1,184
Deputy – Ind	132
Committee Chairman	1,520
Committee – Vice Chair.	380
Sub Committee Chair.	380
Chairman	7,600
Vice Chairman	1,900
Proposal for Carers Allowance	2,000
Proposal for Co-Optees Allowance	1,200
Total Cost For Year (All Members Claiming)	195,012

Note: Group Leaders and Deputy payments will change after the May Elections.