

**1 REPORT OF THE EXECUTIVE BOARD****INDEPENDENT REMUNERATION PANEL REPORT**

- 1.1 This item of business was referred by the Executive Board on 9 January 2008 to Full Council with a recommendation relating to adoption of the remuneration scheme proposed by the Independent Remuneration Panel for 2008/09. An extract of the key elements of the report of the Head of Information and Customer Services to the Board is attached at Appendix A.
- 1.2 The Board recognised that Remuneration Panel proposals related to current political structure arrangements. The Panel would need to reconvene to consider the implications of any future changes to the structure.
- 1.3 It is proposed that Council **RESOLVES** to adopt the remuneration scheme proposed by the Independent Remuneration Panel for 2008/09. (HICS)

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## INDEPENDENT REMUNERATION PANEL REPORT

### 1 SUMMARY

- 1.1 This report contains the recommendations from the Independent Remuneration Panel regarding Members' allowances for 2008/09.

### 2 BACKGROUND

- 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.

### 3 DISCUSSION AND PROPOSALS

- 3.1 The report of the Independent Remuneration Panel is attached at Appendix 1. The Panel have adopted the same approach as in 2007/08 by setting the basic allowance and then building all other special responsibility allowances as multiples of the basic.
- 3.2 In summary, the main recommendations from the Panel are as follows:-
- Basic allowance to be raised by just under 3% to be set broadly at the average for Essex (see paragraph 3.1 in Appendix 1).
  - In accordance with the policy of the Panel to bring the remuneration of the Leader of the Council and Deputy Leader of the Council towards the Essex average, it is proposed that the special responsibility allowance for the Leader should increase from 150% of the basic to 200% and for the Deputy Leader should increase from 50% to 100% of the basic allowance (paragraph 3.2 of Appendix 1). These allowances would still be below the Essex average.
  - Chairman and Vice Chairman's allowances to remain at the existing multiples of the basic allowance (paragraph 3.3 of Appendix 1).
  - Executive Board Members allowance to remain at the existing multiple of the basic allowance plus additional payment (paragraph 3.4 of Appendix 1).
  - Review Committee Chairman's allowance to remain at the existing level, equivalent to that of an Executive Board Member (paragraph 3.5 of Appendix 1).

- Committee Chairman and Vice-Chairman's special responsibility allowances to remain at the existing multiples of the basic allowance (paragraph 3.6 of Appendix 1).
- Sub-Committee Chairman's special responsibility allowance to remain at the existing multiple of the basic allowance (paragraph 3.7 of Appendix 1).
- Member Champion special responsibility allowance to remain at the existing multiple of the basic allowance (paragraph 3.8 of Appendix 1).
- Opposition Group Leader's allowance to remain at the existing multiple of the basic allowance (paragraph 3.9 of Appendix 1).
- Dependant Carer's allowance scheme to be retained, with an increased rate for childcare allowance and retention of existing rate for dependant care allowance, claims to be based on actual expenditure incurred (paragraph 3.10 of Appendix 1).
- Travel rates to remain at current levels, with subsistence allowances up-rated in line with officer rates (paragraph 3.11 of Appendix 1).
- Allowance for Independent Members of Standards Committee and Remuneration Panel to be retained at existing level with no inflationary increase applied (paragraph 3.12 of Appendix 1).

#### **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 is estimated at around £240,000. 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. These costs have been built into the 2008/09 budget strategy.

#### **6 PARISH IMPLICATIONS**

- 6.1 The Independent Remuneration Panel has a role in reviewing Parish schemes, and this year has reviewed the Great Woking, Hockley and Rochford Parish and Rayleigh Town Council remuneration schemes at the request of these Councils. The Panel has also given initial consideration to the establishment of a common framework for parish/town remuneration.

**REPORT OF THE INDEPENDENT REMUNERATION PANEL TO  
ROCHFORD DISTRICT COUNCIL – DECEMBER 2007**

**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 same Independent Remuneration Panel is also required to consider the remuneration schemes of Parish/Town Councils should they wish to pay a basic allowance to their Members.
- 1.4     In 2006/07, the Panel sat on two occasions. It firstly deliberated on the remuneration levels for the former Committee structure and was pleased that the Council decided to adopt its recommendation to implement a dependant carer's allowance scheme. The Panel then met again in April 2007 to advise on remuneration for the Executive Board and Area Committee structure.

**2     Work Programme for 2007/08**

- 2.1     The Panel's work programme for 2007/08 has included reviewing the District Council's allowances scheme, and the Rayleigh Town Council, Great Wakering, Hockley and Rochford Parish Council schemes. The Panel also undertook some preliminary work around the feasibility of establishing a common framework of criteria to apply to Parish/Town Council allowances. The Panel's recommendations for Parish/Town Councils are contained in a separate report.
- 2.2     The Panel met on two occasions and heard from Paul Warren, Chief Executive.
- 2.3     The Panel issued an invitation to all Members to make their views known and Councillor Mrs Glynn attended as a result. The Panel also had submissions from Councillors Mrs Capon, Mrs Glynn, and Hudson.
- 2.4     The Panel would like to thank all Councillors and the Chief Executive for their contribution to the process.

2.5 The Panel considered a number of documents including:-

- comparative information about allowances payments in District Councils in Essex.
- Corporate Plan 2007/08 and Best Value Performance Plan 2007.
- Peer Review report 2007.
- Details of Members' attendance at meetings 2007/08 to date.
- Details of Members' attendance at training and development opportunities 2007/08 to date.
- Take up of dependant carer's allowances in Rochford.
- Details of Parish/Town Council remuneration payments and decision – making structure together with views about the applicability of a common framework approach.

### **3 District Council Proposals**

#### **3.1 Basic Allowance**

The Panel believed that their strategy to bring the Rochford basic allowance broadly into line with the average figure for Essex Districts should be maintained and this could be achieved by applying an inflationary increase of just under 3%. There was evidence of improved Council performance during the year – for example the Peer Review report indicated that the Council was making good progress, and satisfaction with services still appeared high. The Panel concluded that all other allowances should remain as a multiple of the basic allowance.

**Recommendation:** Basic allowance to be set at £4,250 per annum.

#### **3.2 Special Responsibility Allowances – Leader and Deputy Leader of the Council**

The average remuneration for Leaders across Essex is £12,000. The Panel's strategy is to bring the allowance for the Leader of the Council in Rochford closer to the Essex average, but this needs to be a phased approach.

The Panel believed that the role of the Leader of the Council was an increasingly demanding and time-consuming position. The Leader provided political leadership on the budget and major policies, was the principal point of contact with the media and the Chief Executive and represented the Council at key partnership meetings such as the Thames Gateway Executive Board and Local Strategic Partnership, and had to deal with the inspection regime for the Authority.

**Recommendation:** Leader of the Council's allowance to be increased from 150% to 200% of the basic allowance at £8,500 per annum, supported by a policy to work towards parity with the Essex average.

The role of the Deputy Leader of the Council is to provide support for the Leader across the broad range of responsibilities, and again the Panel's strategy is to bring the allowance for the role closer to the Essex average of £6,500.

**Recommendation:** Deputy Leader of the Council's allowance to be increased from 50% to 100% of the basic allowance at £4,250 per annum, supported by a policy to work towards parity with the Essex average.

### 3.3 Special Responsibility Allowance – Chairman and Vice-Chairman of the Council

The Panel considered that these should be retained at their current multiples of the basic allowance as they broadly reflected the Essex average figures.

**Recommendation:** Chairman of the Council's allowance to be retained at 200% of the basic allowance at £8,500 per annum, and the Vice-Chairman's allowance to be retained at 50% of the basic allowance at £2,125 per annum.

### 3.4 Special Responsibility Allowance – Executive Board Member

When the Panel had previously considered this role, it was prior to implementation. On the basis of the evidence received, it was clear that the Executive Board operated as a collective, and Members were not yet taking individual decisions. However, Executive Board Members were required to have an in-depth knowledge of their defined area of responsibility or be the Chairman of an Area Committee, and all Board Members had to keep up-to-date with the entire broad range of Board responsibilities.

Therefore the Panel felt that their previous recommendation that Executive Board Members should receive a one-off additional payment to recognise the extra work involved was still appropriate.

**Recommendation:** Executive Board Members (including Area Committee Chairmen) to receive the Committee Chairman's allowance of 50% of the basic allowance plus an additional payment of £1,000, totalling £3,125 per annum.

### 3.5 Special Responsibility Allowance -Review Committee Chairman

The Panel considered that in the Executive Board structure, the role of the Review Committee Chairman was important as part of the system of checks and balances on the work of the Board.

**Recommendation:** That the allowance for the Chairman of the Review Committee should be set at an equivalent rate to that of an Executive Board Member at £3,125 per annum.

### 3.6 Special Responsibility Allowance – Committee Chairman and Vice-Chairman

The Panel heard evidence about the roles of the Committee Chairmen.

**Recommendation:** Committee Chairman's allowance to be retained at 50% of the basic allowance at £2,125 per annum. Committee Vice-Chairman's allowance to be retained at 10% of the basic allowance at £425 per annum. The Panel also re-affirmed its previous recommendation that the allowance for the Chairman of the Standards Committee should be payable to whoever takes on the role of Chairman, whether an elected councillor or independent representative.

### 3.7 Special Responsibility Allowance – Sub Committee Chairman

The Panel considered that this allowance should be retained at the current multiple of 10% of the basic as it reflected the 'task and finish' nature of the work involved.

**Recommendation:** Sub-Committee Chairman's allowance to be retained at 10% of the basic allowance at £425 per annum. However, this should only be payable if the Chairman of the Sub-Committee was not the Executive Board Member with overall responsibility for the area of work.

### 3.8 Member Champions

The Panel considered the role of Member Champions. Whilst some additional information had been provided on the role of Member Champions, there was still some work required to fully identify their role and responsibilities.

**Recommendation:** Member Champion's allowance to be retained at 10% of the basic allowance at £425 per annum.

### 3.9 Special Responsibility Allowance – Opposition Group Leader(s)

The Panel considered the role of Opposition Group Leader(s); this was an important role in terms of the democratic scrutiny and accountability of the decision-making system and needed to be recognised.

**Recommendation:** Opposition Group Leaders' allowance to be retained at 50% of the basic allowance at £2,125 per annum.

### 3.10 Dependant Carer's Allowance

The Panel was pleased that the Council had implemented a dependant carer's scheme in 2007/08 as it was one way of ensuring that as wide a group 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 take-up of the allowances in 2007/08 to date had not been at a large cost to the Authority, but had enabled three Members to carry out their duties whilst ensuring that their caring responsibilities had been met. The Panel had received feedback that the level of childcare allowance at £5.60 per hour did not cover the cost of professional childcare.

### **Recommendations:**

Childcare allowance be increased to £6 per hour maximum, subject to the following conditions: dependent children must be under the age of 16 and living at home with the member. Allowance is claimed on production of a signed statement which states care has been provided by a babysitter and can be paid to a member of the immediate family.

Dependant Carer allowance to be retained at £15 per hour maximum, subject to the following conditions: elderly or dependent relatives must be living at the same address as the member. Production of 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.

### **3.11 Travel and Subsistence Allowances**

The Panel considered travel and subsistence allowances and believed that the mileage allowance should be retained at 40p per mile as this is the tax threshold. Subsistence allowances should be up-rated in line with the officer rates, and all other allowances should remain at their current levels.

### **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, 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:-

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|---|--------|
| • Breakfast allowance (more than 4 hours from normal place of residence – before 11am)                                  | £6.24  |
| • Lunch allowance (more than 4 hours away from normal place of residence – including lunchtime between 12 noon and 2pm) | £8.62  |
| • Tea allowance (more than 4 hours away from normal place of residence including period 3pm to 6pm)                     | £3.40  |
| • Evening meal allowance (more than 4 hours away from normal place of residence, ending after 7pm)                      | £10.67 |

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.

### 3.12 Special Responsibility Allowance – Independent Members

**Recommendation:** That the allowance for Independent Members of the Standards Committee and Remuneration Panel be retained at £300 per annum.

## 4 Conclusion

- 4.1 The Panel believes that a remuneration scheme constructed around a basic allowance that broadly reflects the average across Essex, with other allowances then determined as a multiple of the basic allowance is a solid foundation against which to assess Member remuneration.
- 4.2 The Panel received contributions about the need to encourage Members to attend training and development courses. The Panel felt that it was not within its remit to align remuneration to attendance or to set targets for the level of attendance expected as this was within the terms of reference of the Standards Committee. However, the Panel was of the view that the basic allowance contained within it an expectation that Members attended appropriate training courses, particularly development control, to enable them to undertake their role effectively.
- 4.3 The specific recommendations for Parish/Town Council remuneration levels are set out in a separate report. However, the Panel would wish to report that whilst it had started work to try to define a standard framework for Parish/Town Council remuneration, this had proved a challenge because of the wide variation of Parish/Town Councils in the area. The Panel would be in dialogue with Parish/Town Councils over the course of the forthcoming year in an attempt to reach a consensus view as to the approach to be taken in the future.

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Independent Remuneration Panel

December 2007