

REPORT OF THE INDEPENDENT REMUNERATION PANEL

1 REVIEW OF MEMBERS' ALLOWANCES

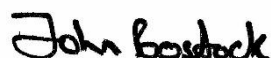
- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require that each District Council must establish and maintain an Independent Remuneration Panel to review and make recommendations on the remuneration scheme for Members of the District and Parish/Town Councils. The Councils must have regard to the advice of the Panel, but do not have to implement its recommendations.
- 1.2 In January 2011 the Council agreed to move away from annual reviews to a formal review by the Panel of the Member Remuneration scheme every four years. The last review undertaken by the Panel was in respect of the 2015/16 municipal year. The review undertaken this year will relate to the scheme with effect from 2019/20.
- 1.3 The report of the Independent Remuneration Panel on District Council remuneration is appended. Council is invited to consider recommendations (1) to (5) set out on pages 14.6 to 14.9.

2 RESOURCE IMPLICATIONS

- 2.1 The cost of the remuneration scheme with no increase for 2019/20 (option 1) is estimated at £284,900. The cost of the scheme with changes to the basic allowance and certain special responsibility allowances is estimated at £277,500, which will represent a saving to the Council in the region of £7,400. 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.

3 EQUALITY AND DIVERSITY IMPLICATIONS

- 3.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups, as defined under the Equality Act 2010.



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Background Papers:-

None

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REPORT OF THE INDEPENDENT REMUNERATION PANEL TO ROCHFORD DISTRICT COUNCIL – DECEMBER 2018

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.
- 1.2 The Council must have regard to the advice of the Independent Remuneration Panel but does not have to implement its recommendations.
- 1.3 Council agreed in January 2011 to move away from annual reviews of the Member remuneration scheme to a formal review by the Panel of the scheme every four years. The last review undertaken by the Panel was in respect of the 2015/16 municipal year. The review undertaken this year will relate to the scheme for 2019/20.
- 1.4 The same Independent Remuneration Panel is also required to consider the remuneration schemes for Parish/Town Councils.

2 DISTRICT COUNCIL REVIEW

- 2.1 The Panel held four meetings and considered the following:-
- 2.2 Comparative information about Member allowances in District Councils across Essex.
- 2.3 Responses from Members following a request to advise of any areas relating to Member allowances they wished the Panel to consider.
- 2.4 Details of staff pay awards since 2009.

Basic and Special Responsibility Allowances

- 2.5 The Panel noted that there had been very limited representation from District Council Members in terms of the basic or special responsibility allowances, which indicated to the Panel that Councillors generally were happy with the current level of remuneration. The Panel also noted that Rochford District Councillors had not received an increase in allowances in 10 years.

- 2.6 At its first meeting the Panel requested information on the Council's budget and financial situation. The Panel noted the Council's work on closing the budget gap.
- 2.7 The Panel felt that considerations should include either maintaining current allowances (Option 1) or introducing an option that facilitated the redistribution of some special allowances to enable an increase to the basic allowance (Option 2). Details of the Panel's thinking/methodology behind Option 2 is shown at Appendix A, together with a spreadsheet at Appendix B that shows how allowances would apply if it was implemented. Appendix C shows the current application of allowances.
- 2.8 Option 2 would affect the multipliers and allowances associated with the Leader, Portfolio Holder and Chairman of the Council roles and would increase the basic allowance. The multipliers for other roles would not be altered.
- 2.9 The Panel observed that the Councillor role is one of service to the community.

Basic Allowance

- 2.10 Option 2 would provide for the basic allowance to increase from £4,250 to £5,000 per annum and provide a saving of £7,400 in allowances overall per annum.

Opposition Group Leaders' Allowances

- 2.11 Further to a request from a Member, the Panel considered whether an allowance for Deputy Group Leaders should be introduced and whether the Group Leader allowance should be proportionate to the number of Members in a Group. It was noted that, legally, each political group had to identify a Leader and a Deputy Leader. It was also noted that, at Rochford District Council, Group and Deputy Group Leaders had no defined role. The Panel felt that there should be no change to current arrangements.

Chairman of the Council

- 2.12 Following consideration of the role of the Chairman of the Council it was felt that the associated multiplier should remain in line with the Portfolio Holder allowance.

Chairman of the Review Committee

- 2.13 The Panel considered background information on the additional allowance of £1,000 available to the Review Committee Chairman. It was felt that this should be retained.

Committee Chairmen

- 2.14 Following a Member request, the Panel considered whether the allowance for the Chairman of a Committee should be based on the number of meetings held by that Committee. The Panel felt that the number of Committee meetings did not necessarily reflect the time spent on the role by the Chairman or the breadth of responsibility and concluded that it would not recommend that Committee Chairman allowances be varied to correspond with the number of meetings held each year by a Committee.

Proposals**Basic Allowance**

- 2.15 Taking into account the economic climate, the comparison with allowances in other Essex authorities and comments from Members on allowances, the Panel felt that two options should be put forward for consideration by Full Council in relation to the basic allowance and some of the associated special responsibility multipliers; that is, either to keep the status quo or to take a different approach, as outlined earlier.

Special Responsibility Allowance – Independent Persons and Parish Members of the Standards Committee, Members of the Independent Remuneration Panel, Member Champions and Co-optees

- 2.16 The Panel felt that the multiplier for the allowance for Independent Persons and Parish Representatives of the Standards Committee, Members of the Independent Remuneration Panel, Member Champions and Co-optees should be retained at 10% of the basic allowance for Rochford District Council Members.

Childcare and Carer's Allowances

- 2.17 The Panel felt that the childcare and carers allowances should be retained at their current levels.

Travelling Expenses

- 2.18 The Panel considered travelling expenses and subsistence allowance. It was felt that the current mileage allowance payment of 40p per mile should be increased to 45p, which would bring it in line with HMRC rates. It was noted that the level of claims in 2017/18 had been very low.

Subsistence Allowance and Meals on Trains

2.19 The Panel proposed that the rate of allowances for breakfast, lunch and evening meal should be changed and the tea allowance deleted to keep them in line with officer allowances, which had been amended recently. This accorded with Constitutional provision.

2.20 Recommendations

(1) That two options for basic and special responsibility allowances be considered by Full Council:-

Option 1 – That current allowances be retained.

Option 2 – That basic and some special responsibility allowances be adjusted in accordance with appendices B and C to this report.

(2) That the multiplier for the allowance for Independent Persons and Parish Members of the Standards Committee, Members of the Independent Remuneration Panel, Member Champions and Co-Optees be retained at 10% of the basic allowance for Rochford District Council Members.

(3) That the childcare and carer's allowances be retained at their current levels, as follows:-

Childcare allowance to be set at £15.00 per hour maximum, subject to the following conditions:-

- Dependent children must be under the age of 16 and living at home with the Member and claims must be made for actual expenditure incurred.
- Allowance is claimed on production of a signed statement which states care has been provided by a babysitter.
- Any rate of the allowance above £10.00 per hour will only be paid on the basis of a formal receipt from a qualified childcare professional.

Carer's allowance to be set at £15 per hour maximum, subject to the following conditions:-

- Elderly or dependent relatives must be living at the same address as the Member and claims must be for actual expenditure incurred.
- Production of receipt from a professional carer must be supplied.

(4) That the private car allowance be increased from 40p to 45p per mile in line with HMRC rates and that other allowances stay the same so that claims for travelling expenses must be based on one of the following:-

- Bus fare or second class railway train fare.
- A mileage allowance for use of the Member's vehicle, together with an additional allowance for passengers.
 - A private car allowance of 45p 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.

(5) That the rate of allowances for breakfast, lunch and evening meal should be changed and the tea allowance deleted to keep them in line with officer allowances, which had recently been amended. so that subsistence allowances as follows:-

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.

Rates of allowance are detailed below:-

1. The rates shall not exceed:-

- (a) In the cases of an absence, not involving an absence overnight from the usual place of residence:-

i	Breakfast allowance (more than 4 hours away from normal place of residence – before 11am)	£5.00
ii	Lunch allowance (more than 4 hours away from normal place of residence – including lunchtime between 12 noon and 2pm)	£10.00
iii.	Evening meal allowance (more than 4 hours away from normal place of residence, ending after 7 pm)	£20.00

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.

2. Central London means the City of London and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith, Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.
3. Any rate determined under paragraph 1 above shall be deemed to cover a continuous period of absence of 24 hours.
4. The rates specified in paragraph 1 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: Allowances above will be amended as and when rates payable to officers are amended to keep officer and Member rates identical.

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 4 hours before 11.00 am.
- (b) for lunch, an absence of more than 4 hours, including between 12 noon and 2.00 pm.
- (c) for evening meal, an absence of more than 4 hours, ending after 7.00 pm.

3 PARISH/TOWN COUNCIL REVIEW

- 3.1 The Panel undertook a separate review of the Parish/Town Council remuneration framework. The application of this framework will be a matter for individual decision by each Parish/Town Council, with a recommended maximum for each Council.
- 3.2 The full detail of the Parish/Town Councils Remuneration Review is set out in a separate report.

Ian Wilson (Chairman)
Linda Parish
Lyn Thompson

December 2018

Appendix A**Members' Allowances – Option 2****1. Panel Premise**

That the structure of a local authority operating a cabinet system (Leader, Portfolio Holders and Councillors) can be compared to that of central government (Prime Minister, Secretaries of State, Ministers and MPs) and that allowances available for Council roles could reflect the ratios applied at central government level.

2. Governmental practice

The Prime Minister receives £152,819 p.a. This is 1.97 times that of an MP, which is £77,379.

Secretaries of State receive £144,884 p.a., which is 1.87 times that of an MP.

Ministers receive £109,059 p.a., or 1.41 times that of an MP.

3. Proposal for aligning RDC with Central Governmental

The proposal is to generally reflect Government practice, as follows:-

- Leader of the Council – twice the basic allowance in addition to the basic allowance.
- Deputy Leader of the Council - one and a half times the basic allowance in addition to the basic allowance.
- Portfolio Holders – one times the basic allowance in addition to the basic allowance.
- Chairman of the Council – one times the basic allowance in addition to the basic allowance.

4. What this could mean

Monies saved by aligning allowances as above could provide for an increase in the Members' basic allowance, amounting to an additional £750 per annum. The basic allowance could be £5000 per annum. This would be applied to the multiplier for special responsibility allowances. The approach would reduce the overall cost of allowances by £7,400 per annum.

COUNCIL- 19 February 2019										Item 14	
Option 2 Proposals										Appendix B	
Basic Allowance	Chairman	Vice Chairman	Leader of Council	Dep Leader of Council	Opp Group Leader	Cttee Chairman	Cttee Vice Chairman	Exec Portfolio Holder	Review Cttee Chairman	Sub Cttee Chairman	
5000									3500	8500	
5000						2500				7500	
5000										5000	
5000										5000	
5000			10000							15000	
5000		2500					500			8000	
5000										5000	
5000										5000	
5000						2500	500			8000	
5000							500			5500	
5000										5000	
5000					2500					7500	
5000					2500					5000	
5000								5000		10000	
5000							500			5500	
5000										5000	
5000										5000	
5000	5000									10000	
5000						2500	500			8000	
5000										5000	
5000										5000	
5000								5000		10000	
5000							500			5500	
5000						2500		5000		12500	
5000									500	5500	
5000					2500					7500	
5000				7500						12500	
5000								5000		10000	
5000								5000		10000	
5000						2500				7500	
5000								5000		10000	
5000							500			5500	
										277500	
195000	5000	2500	10000	7500	7500	12500	3500	30000	3500	500	277500

COUNCIL - 19 February 2019										Item 14	
Current application of allowances										Appendix C	
Basic Allowance	Chairman	Vice Chairman	Leader of Council	Dep Leader of Council	Opp Group Leader	Cttee Chairman	Cttee Vice Chairman	Exec Portfolio Holder	Review Cttee Chairman	Sub Cttee Chairman	
4250									3125		7375
4250	8500										12750
4250											4250
4250						2125					6375
4250											4250
4250			21250								25500
4250						2125	425				6800
4250											4250
4250											4250
4250								425			4675
4250								425			4675
4250											4250
4250					2125						6375
4250											4250
4250											4250
4250								8500			12750
4250							425				4675
4250											4250
4250											4250
4250					2125						6375
4250											4250
4250		2125									6375
4250							425				4675
4250											4250
4250											4250
4250								8500			12750
4250							425				4675
4250											4250
4250						2125		8500			14875
4250										425	4675
4250					2125						6375
4250				12750							17000
4250								8500			12750
4250								8500			12750
4250						2125					6375
4250						2125	425	8500			15300
4250											4250
											284900
165750	8500	2125	21250	12750	6375	10625	2975	51000	3125	425	284900