

**FULL COUNCIL MEETING – 23 APRIL 2002
AGENDA ITEM 8**

**REPORT OF THE INDEPENDENT REMUNERATION PANEL
TO UTTLESFORD DISTRICT COUNCIL ON 23rd APRIL 2002**

1.0 Introduction and Terms of Reference

1.1 The Independent Remuneration Panel has been appointed to make recommendations to Uttlesford District Council on Members' allowances for 2002/03. The terms of reference were to consider and recommend:

- the amount of basic allowance which should be paid to all elected members in 2002/03
- the roles and responsibilities, if any, for which a special responsibility allowance should be paid, and the amount of such allowances
- whether the Council's scheme should include for the cost of arranging care for children and/or other dependants, the amount of such allowances and the means by which they are determined.

2.0 Members of the Panel

2.1 The Independent Remuneration Panel was recruited and selected following local advertisement and interview. The members are:

Martyn Fiddler (Chairman) – local resident and consultant on aviation customs duties and vat

Steve Bennett – Secretary and Clerk to Anglia Polytechnic University HEC

Ruth Whitlam – local resident and Civil Servant, Department of Health

3.0 Methodology

3.1 At the commencement of its work the Panel received a presentation from Dr Declan Hall of Inlogov about issues to consider in the reform of the Members' allowance scheme and when setting a framework for the new scheme. The Panel considered other local authority schemes; advice published by the Local Government Association and examined the role and responsibilities of Chairs and non-executive Board members of NHS organisations as a public sector comparator. The Panel also sought the views of Council Members through a questionnaire and interviews.

3.2 The Panel would like to thank all those Members who offered evidence in response to the questionnaire. The Panel would also like to thank the Chief Executive, Assistant Chief Executive and the Director of Resources for their advice and support and in particular, would like to thank Su Whiston for making the administrative arrangements.

4.0 Recommendations

4.1 Basic Allowance

In reaching its recommendations for the Basic Allowance, the Panel has been impressed by the degree of consistency in Member's responses expressed both in questionnaires and interviews.

While it is apparent that the number of hours which Members commit varies depending on their personal circumstances, extra-Council commitments etc., nevertheless a

consensus supports the view that the commitment per week in order to fulfil ordinary duties is of the order of 10 hours per week or 520 hours per annum.

This translates to 65 days per annum in our view.

We have looked at salary bases used in fixing allowances elsewhere in the UK and note the common use of the Local Government Association's daily rate based on a benchmarked national median white-collar salary. The most recent LGA index published for 2001 indicates a daily figure of £98-60 and this has been used in our calculation less a Public Service Discount factor of 35%.

On this basis our recommendation is that the Basic Allowance for all Members be set at £4,166 including telephone and office expenses.

4.2 Special Responsibility Allowances (SRA)

4.2.1 The Leader of the Council

Again a high degree of consistency has emerged in responses to our questions regarding the amount of time required to be committed by the Leader in addition to his/her duties as a Member.

We recognise that this is a position where the involvement of the individual has the potential to vary widely. After consideration, it is our view that, for remuneration purposes, the Leader should receive a SRA of one and a half times the Basic Allowance (in addition to the Basic Allowance).

This equates to: £4,166 + £6,249 (£10,415 total)

4.2.2 Chairmen of Committees

Because of the recent adoption of the Council's committee structure, we have not found it possible to distinguish, with any certainty, between the workloads of those chairing Policy and Scrutiny committees.

It has been mentioned regularly during the course of our meetings that the workload of the Development Control and Licensing Committee is significantly greater than that of other Committees and that this should be reflected in any Special Responsibility Allowance.

While we recognise the argument, it is not now clear to us to what extent the current time commitment demanded of Members is reflective of the workload of the Committee or rather the mode of operation that it has chosen.

With the exception of the Chairman of the PFI Board and the Staff Appeals Committee, it is therefore our recommendation that, for the moment, all Committee Chairmen be remunerated on a common basis. We would, however, intend to review this during the course of the next year.

Our recommendation is that all Committee Chairmen (with the exception of the Chairman of the PFI and Staff Appeals Committee) should receive an SRA of three-quarters of the Basic Allowance (in addition to the Basic Allowance).

This equates to: £4,166 + £3,125 (£7,291 total)

So far as the Chairman of the PFI Board is concerned our recommendation is that he/she should receive one half of the Committee Chairman SRA.
This equates to £4,166 + £1563 (£5,729 total).

In respect of the Chairman of the Staff Appeals Committee our recommendation is that no SRA be paid for the moment. Given the nature of this role, we would propose to consider any remuneration at the end of year, such remuneration, if any, to be paid in arrears.

4.2.3 **Group Leaders**

While it has been put to us that some uniformity should be adopted in remunerating Group Leaders, we do not accept this. Given the diversity in the size of the groups presently constituting the Council we believe that a means of remuneration should be adopted which reflects the varying workloads of Group Leaders.

Our recommendation, therefore, is that Group Leaders of Groups with a minimum of two members receive remuneration additional to their basic allowance as follows:

<u>Basic Allowance</u> £4,166 ÷ 42 approx. = £100	X	Group Membership	=	SRA
Total Council Membership		(as at 1 st April)		
(including vacancies) 42				

(Presently we are advised that this would equate to the following Group Leader SRA's:
Labour (2) £200.00, Independent (6) £600.00, Liberal Democrats (18) £1,800.00
Conservative (15) £1,500.00, plus the basic allowance.

4.2.4 **Vice Chairmen**

We have found little consistent support or rationale for the remuneration of Vice Chairmen albeit that we note some additional duties involved in attending briefing meetings.

We do not, therefore, believe, at the moment, that an SRA should be paid routinely to Vice Chairmen.

However, it is our recommendation that, in case of the extended absence of a Committee Chairman from Council duties (3 months or more) then the relevant Vice Chairman should be remunerated on a pro-rata basis as if Chairman until such time as the Chairman returns to his/her duties.

4.3 **Payment of Multiple Special Responsibility Allowances**

It is our recommendation that, in any financial year, only one SRA shall be payable to any one Member: the SRA to be paid being the higher of those to which the Member is ordinarily entitled.

4.4 **Carers Allowances**

We believe that Carers Allowances should be paid as a means of allowing Members who are carers to undertake their duties in a proper manner and as a means of allowing others presently deterred from Council membership by virtue of family responsibilities to offer themselves for election.

We recommend that a Carers Allowance should be payable for childcare purposes and/or to meet the costs of paid care for others ordinarily resident at a Member's home.

We recommend that this is paid at a maximum hourly rate of £10.00. Our recommendations regarding the detailed administration of SRA Allowances are attached as Appendix 1 to this report.

5.0 **Monitoring and Evaluation**

- 5.1 The panel had not considered travelling and subsistence allowances since it is understood that the current scheme will continue until alteration by central Government after which it is likely to require review by the panel.
- 5.2 Because of the recent adoption of the Council's Committee structure, the Panel has already indicated in its recommendations that it would wish to return to the question of the level of special responsibility allowances payable to Policy and Scrutiny Chairmen and to the Chairman of the Development Control and Licensing Committee.
- 5.3 The Committee will also return to the question of updating allowances and it will report back to the Council with its recommendation in time for the consideration of 2003/04 budget allocation debate.
- 5.4 Finally, the Panel was pleased to note that the Council is considering introducing a "job description" for the Leader and Members of the Council and it will assist the Panel in its future deliberations.
- 5.5 Allied to this, the Panel has noted examples elsewhere of the introduction of revised remuneration schemes being linked to public reports on individual performance

Martyn Fiddler
Chairman
Independent Remuneration Panel

APPENDIX 1

MEMBERS' ALLOWANCES SCHEME

CARER'S ALLOWANCE SCHEME

1. A carer's allowance may be claimed by Members of the Council where additional expenditure is incurred by the Member on childcare or care for a sick or dependent relative to enable them to fulfil their Council duties by attending a meeting/activity.
2. Meetings or activities that qualify for the allowance will be those specified on the list of approved duties; attended as of right or by invitation.
3. Reimbursement of expenditure on childcare will be restricted to children up to their 14th birthday who normally reside with the Member.
4. Reimbursement of expenditure on care for a sick or dependent relative will be restricted to care which would otherwise be carried out by the Member.
5. No payments will normally be made in respect of care provided by a close relation or a person normally resident at the Member's home.
6. It is the responsibility of the Member employing the carer to ensure that s/he is suitably qualified to provide the care required.
7. Payments to Members will be made for the period of the qualifying meeting/activity and the travelling time to and from the Member's home and the meeting/activity.
8. Payments to Members will reimburse actual expenditure up to a maximum hourly rate set by the Council.
9. The maximum hourly rate recommended for the financial year 2002-2003 is £10.00