

Committee: Full Council

Date: 16 December 2003

Agenda Item No: 1

Title: Report of the Independent Remuneration Panel for 2004/2005

Author: Martyn Fiddler, Ruth Whitlam and Steven Bennett

1.0 Introduction

1.1 The membership of the Independent Remuneration Panel is as follows:

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 Director of Operations (South), NHS Appointments Commission

1.2 In our report for 2002/2003, we concentrated on establishing a robust, transparent, compliant and acceptable mechanism for the calculation and payment of allowances to members.

1.3 In our report for 2003/2004, we looked at whether any difference existed between workloads associated with the chairing of policy and scrutiny committees; and whether any difference justified any variation in special responsibility allowance (SRA); whether all committee chairmen (with the exception of the chairman of the PFI Board and Staff Appeals committee) and committee members should be remunerated equally, but, particularly whether any variation was justified in the case of the chairman of the Development Control and Licensing Committee; and whether any retrospective payment should be made to the chairman of the Staff Appeals Committee. We were also asked to consider whether SRAs should be paid to the Chairman and Deputy Chairman of the Council and the Deputy Leader.

1.4 This 2004/2005 report considers and makes recommendations on: the question of committee workloads; an increase in the basic, special responsibility and carers allowances; travel and subsistence allowances; and pensions for councillors. These last two issues have recently come within the remit of the Independent Remuneration Panel.

2.0 Workloads

2.1 Development Control Committee

In past reports we undertook to keep under review differential workloads and in particular whether membership of the Development Control Committee should attract an additional allowance. We have again discussed this with the committee chairman and considered the time commitment required of members of the Development Control Committee. We are now persuaded that members of this committee do carry a sufficiently higher workload than members of any other committee (with the possible exception of the Licensing Committee – see our comments below) and that an additional allowance should be paid.

We calculate that a member of the Development Control Committee attends on average for an additional 76 hours (say 10 days) more than if sitting on any other committee. Applying our public service discount of 35%, we consider that an additional 6½ days are eligible for remuneration.

2.2 Licensing Committee

We are advised that a Licensing Committee was established from September 2003 and that its workload during to 2003/2004 is likely to be no more than any other committee. However, we understand that its future workload, certainly in the first six months of 2004/2005, is likely to be high and intensive. The chairman of this committee will be entitled to receive the special responsibility allowance payable to all committee chairmen and we recommend that this should be backdated to 1st September 2003. We do accept that the precedent that we have set in acknowledging the workload of the members of the Development Control Committee may well apply, at least in the first instance, to the Licensing Committee and we will look at this retrospectively in our next review.

2.3 Standards Committee

We are informed that the Standards Committee advises on probity and conduct and has the responsibility for investigating allegations of misconduct. The committee's membership is comprised of elected District Council members, parish councillors and lay members and is chaired on a per meeting basis by one of the lay members. We recommend that one special responsibility allowance (of £3,368) payable to all committee chairmen is paid to the chair of this committee. We also recommend that continuity in the chairmanship of this important committee is considered.

2.4 Group Leader Allowance

It has been suggested to us that there is inequality in the per capita allowance paid to group leaders, in that there may be more work involved in being the leader of a small group than in being the leader of a large one. It is unclear to us at this time, to what extent this represents a continuing workload or one

which reflects the current strategic initiatives and the relatively high proportion of new members. It would therefore be our intention to look at this again in our next review.

3.0 Pensions

- 3.1 With effect from 1st May 2003 the Local Government Pension Scheme was amended so that the basic and special responsibility allowances paid to local authority members may be treated as pensionable. The Independent Remuneration Panel is required to recommend whether or which members should be entitled to membership of the pension scheme and whether the basic or special responsibility allowances, or both, should be made pensionable.
- 3.2 The Council will only be able to make membership of the pension scheme available to those members who are recommended by the Independent Remuneration Panel. It will be for individual members to decide whether or not to opt into the scheme.
- 3.3 In considering our position we are cogniscent of the fact that there is a cost to both the member and to the Council of membership of the pension scheme. We have seen in the course of our work that there are members who have dedicated a significant number of years to public service. Given that the pension scheme is now available to members, it does not seem equitable that members should be denied access.
- 3.4 However, it is clearly a complex issue and we would wish to seek members' views in our questionnaire, which we will issue next summer.

4.0 Travel and Subsistence Allowances

Consideration of the level of travel and subsistence allowances payable to members has been brought within the remit of independent remuneration panels. We recommend that the general travelling and subsistence rates payable to the Council's officers should apply also to the elected members. Also we recommended that there should not be any restrictions on these allowances to Members on approved Council business and this should be applicable from 1 January 2004.

5.0 Programme for 2005/2006

The 2005/2006 year will be our third year of operation, we propose to undertake a comprehensive review of our work so far and also seek members' contribution to the process by way of a questionnaire. We expect to start this work early in the summer of 2004.

6.0 Summary

- 6.1 In recognition of the additional workload carried out by members of the Development Control Committee, we recommend that an additional allowance of £449 p.a. be paid to each member.
- 6.2 We recommend that the special responsibility allowance payable to all committee chairmen is paid to the chairman of the Licensing Committee and that this is backdated to 1st September 2003.
- 6.3 We recommend that one special responsibility allowance payable to all committee chairmen is paid to the chairman of the Standards Committee. Also that continuity in the chairmanship of this committee is considered.
- 6.4 In proposing the allowances detailed in our report for 2002/2003, we used as the basis for our calculation, the most recent Local Government Association (LGA) daily rate national median white-collar salary. To this we applied a public service discount of 35% giving a daily base figure. In line with LGA advice we proposed that the allowances for 2003/2004 be increased by 4.6%
- 6.5 We are advised that it is no longer possible to distinguish between manual and non-manual employees and we therefore propose that the 2.4% increase in earnings of full-time local government employees be applied to members' allowances for 2004/2005. This equates to a daily figure of £106.29 less a public service discount of 35% giving a base daily figure of £69.09.
- 6.6 We recommend that the general allowances and subsistence rates payable to the Council's officers should apply also to elected members and with effect from 1 January 2004 there should not be any restrictions on paying these allowances on approved Council business.
- 6.7 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.

7.0 Recommendation of Allowances for 2004/2005

- 7.1 We recommend that the basic and special responsibility allowances for 2004/2005 be increased by 2.4% with effect from 1 April 2004.
- 7.2 No adjustment to the carers allowance is proposed but this will be kept under review. Details of this allowance scheme are attached.
- 7.3 We understand that the Staff Appeals Committee has not met during the year and, therefore, do not recommend payment of a SRA for the year. We are also advised that the PFI Board no longer meets.
- 7.4 We therefore recommend the following allowances for payment in 2004/2005:

Basic Allowance	£4,491 (notionally 65 days p.a.)
Chairman of the Council	£4,491 + £3,368 + £2,500 (civic expenses)
Deputy Chairman of the Council	£4,491 + £2,245
Leader of the Council	£4,491 + £6,736
Deputy Leader of the Council	£4,491 + £2,245
Chairman of committees	£4,491 + £3,368
Chairman of Standards Committee	£3,368
Group Leaders	£4,491 + £102 x group membership as at 1 st April (subject to a minimum group size of 2 members)
Members of the Development Control Committee	£4,491 + £449
Carers allowance	£10.00 (maximum hourly rate)

Martyn Fiddler
Chairman

December 2003

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 and/or experienced 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 2004-2005 is £10.00