

KENNET DISTRICT COUNCIL

Meeting to be held on Tuesday, 18th December 2007

REPORT OF THE INDEPENDENT REMUNERATION PANEL

RECOMMENDED SCHEME OF MEMBERS' ALLOWANCES FOR 2008/09

1. Introduction

Regulations governing members' allowances are made under Section 18 of the Housing and Local Government Act 1989 as amended by Section 99 of the Local Government Act 2000. The Local Authorities (Members' Allowances) (England) Regulations 2001 require councils to establish and maintain an independent remuneration panel which has the functions of providing the local authority with advice on its scheme and the amounts to be paid. Local authorities must have regard to this advice.

Kennet District Council has duly appointed such an independent remuneration panel (the Panel) and the names of those serving on the Panel are given at the end of this report.

The Panel met on 24th September 2007. The Panel re-examined the principles which should apply to a scheme of members' allowances, and found that the principles adopted in their initial deliberations were still largely relevant. The Panel took full account of the statutory guidance issued by the Office of the Deputy Prime Minister in July 2003 in respect of Members' Allowances.

The recommendations included in this report represent the Panel's unanimous view.

2. Basic Allowance

Members of the Council will be aware that all elected members are entitled to a Basic Allowance that must be the same for each elected member of the authority.

In forming a view on the level of Basic Allowances to be recommended to the Council in 2002 the Panel took a number of factors into account:

- the time commitment made by the average Member and how this should be recognised
- the level of basic allowance paid by other comparable local authorities
- the appropriate balance between voluntary service and the need to ensure that individuals are not put off from standing for election
- the current level of basic allowances paid
- the need to ensure that basic allowances cover the extraneous expenses incurred as a result of being an elected Member.

The Panel further considered that a formula that took a number of factors into account would be helpful for the future, in that changes in those factors over time would allow the Panel to make recommendations for changes in the scheme to reflect changing circumstances.

The approach adopted by the Panel was to take the average hourly labour rate applying in the Kennet District and multiply this by the mode hours spent by the average Member on Council business. (Surveys of elected member time commitments were carried out in 2001 and 2004.) This gave a gross figure to which a discount factor was applied to reflect the desirability of maintaining the tradition of voluntary public service in the local government sector. The Panel's intention is that the sum so derived should recompense Members for the cost of all incidental expenses and their time commitment. This figure does not include travelling costs, (which are dealt with separately).

The Panel's view is that there should be an increase in the Basic Allowance in 2008/09 from the current £4,100 to £4,220.

3. Special Responsibility Allowances

Having settled upon a basic allowance applying to all elected members, the principle was adopted that those Member posts which carry significant responsibilities over and above those of the average elected member, (and which should therefore qualify for a Special Responsibility Allowance) should be identified. Having identified the relevant posts, the Panel considered that the special responsibility allowances should be expressed as a proportion of the basic allowance, that proportion to reflect the Panel's best judgement on the additional time, effort and expense likely to be involved in meeting those significant additional responsibilities.

The proportions of basic allowance attracted to special responsibilities are still relevant, with one exception related to the post of Deputy Leader.

The proportions and consequential amounts that the Panel considers to be appropriate are as follows:

The Chairman of the Council should receive 40% of the basic allowance, i.e. £1,690.

Chairmen of the four (previously three) executive committees, chairman of the Overview and Scrutiny Management Board, and chairman of the Human Resources Committee, should receive 45% of the basic allowance, i.e. £1,900. In respect of the new post of Chairman of the Partnership Development Executive Committee the Panel has assumed that the workload involved will increase significantly as the vesting day for the new authority draws closer, and will justify the payment of a special responsibility allowance in line with that of the other chairmen.

The chairman of the Regulatory Committee should receive 100% of the basic allowance, less the amount to be paid to other members of the Regulatory Committee, as a special responsibility allowance. (Please see below.) The amount involved would be £4,220 less £400, i.e. £3,820.

The vice chairmen of committees should not in the Panel's view receive a special responsibility allowance, except in two instances. The Vice Chairman of the Council and the Vice Chairman of the Regulatory Committee should receive 20% of the basic allowance, i.e. £845.

In respect of the political leadership of the Council the Panel is of the view that the Leaders of all political groups should be paid £131.20 per elected member within their group. In the event that numbers in the various groups change during the course of the municipal year the Panel recommends that the £131.20 per head per year be adjusted pro rata to the time an individual member spends in more than one group. In addition to the sum of £131.20 per elected member the Leader of the Council only should be paid 100% of the Basic Allowance, i.e. £4,220, and Deputy Leader 20% of the Basic Allowance, i.e. £845. The current allowance for the Deputy leader is 15%, and the change to 20% reflects the probability that the Deputy leader will have to provide greater cover for the Leader while the latter is engaged in the work of the Joint Implementation Committee for the new unitary authority for Wiltshire.

As under the current scheme of Members' Allowances the Panel further recommends that the group leaders should be able to direct the Director of Resources to pay the Leaders' allowances to such members of their political groups as they so wish.

In respect of all the special responsibility allowances we recommend that where a change in post-holder takes place during the year the amounts payable to holders of relevant posts should be paid pro rata to time served.

In the view of the Panel, there is one group of elected members who, by reason of the Committee they serve, has significant additional responsibilities – the members of the Regulatory Committee. The Panel was mindful of the desirability of such members familiarising themselves with individual development sites upon which they are obliged to judge the planning merits, in addition to their attendance at a greater number of meetings. The Panel

wished to avoid such members being placed in a disadvantaged financial position as a result of those obligations, and considered that a formula approach was appropriate, the formula to be 9.5% of the basic allowance, (having arrived at this proportion through an assumed number of travelling miles on site inspections). On this basis we recommend an annual special responsibility allowance of £400 per member of the Regulatory Committee as nominated by their political groups. The Panel was mindful of the potential administrative complexity implicit in this recommendation given the rules on substitution. In order to minimise the potential problems we recommend that substitute members are not paid a special responsibility allowance, and that the Council should rely on the political leadership to ensure that where members of the Regulatory Committee need to be substituted on a regular basis another elected member be nominated in their place, with the special responsibility allowance then being paid pro rata to the time during which a member is the official nominated member of a group to the Regulatory Committee.

The Chairman of the Licensing Committee should receive 15% of the Basic Allowance, i.e. to £635.

The Panel was asked by the Council to consider the position of “Member Champions” in relation to possible special responsibility allowances. The view of the Panel is that the work of championing services should form part of the work of committee chairmen and there should therefore be no need for a special responsibility allowance for a separate category of elected member.

4. Co-optees Allowance

In the past the Panel has not felt it appropriate to recommend Co-optee Allowances for the independent and parish members of the Standards Committee. However, in view of the complexity and volume of work now being experienced, particularly in respect of hearings, the Panel believes that it would be appropriate to recognise the work of the co-optees to the Committee. The Panel therefore recommends that a Co-optees Allowance of £500 per annum should still be paid to the two independent members and the two parish council members, and in the event that one of the Co-optees is elected chairman of the Standards Committee, then the Co-optees Allowance for that individual should still be increased to £600.

4. Childcare and Dependent Carer's Allowance

The Panel is sympathetic to the idea that, within reason, individuals who have care of children or others should not be put off from standing for election because of the cost of paying somebody else to take on that caring role while they are on Council business.

The Panel agreed that an allowance based on actual costs incurred up to a maximum of £10 per hour should be paid, subject to an annual maximum of £1,000.

5. Travelling and Subsistence Allowances

The Panel does not consider it appropriate to amend the scheme of Travelling and Subsistence Allowances for 2008/09 except that the allowances in respect of overnight hotel accommodation should be increased as indicated in Appendix B to our report.

The Panel regrets the fact that the Council has in the past rejected its recommendations that the mileage rate for travel in a motor vehicle should be capped at 40p per mile, and hopes that the Council will consider setting an example to others in this regard in view of its stated commitment to the sustainability agenda.

6. Summary Recommendations

The Panel recommends that the following annual allowances should be paid to elected members in respect of the municipal year 2008/09.

Basic Allowance £4,220

Special Responsibility Allowances, (to be paid in addition to Basic Allowance):

Chairman of:	
Resources Executive Committee	£1,900
Community Development Executive Committee	£1,900
Partnership Development Executive Committee	£1,900
Planning Policies Executive Committee	£1,900
Overview and Scrutiny Management Board	£1,900
Human Resources Committee	£1,900
Licensing Committee	£635
Regulatory Committee	£3,820
Chairman of the Council	£1,690
Vice Chairman of the Council	£845
Vice Chairman of the Regulatory Committee	£845
Nominated Members of the Regulatory Committee	£400
Leaders of all Political Groups *	£131.20 per group member
Leader of the Council only	£4,220
Deputy Leader of the Council	£845
Independent Chairman of the Standards Committee	£600
Other independent and parish council co-opted members of the Standards Committee	£500

(* Group Leaders to direct the Director of Resources to whom within their groups the Leaders' Allowance should be distributed.)

Where named post-holders, or nominated members, of the Regulatory Committee change during the year the allowances should be paid on a pro rata to time served basis.

Childcare and Dependent Carer's Allowance (to be paid in addition to Basic Allowance and any Special Responsibility Allowance). Actual cost incurred subject to a maximum of £10 per hour and an annual maximum of £1,000.

Travelling and Subsistence Allowances – as per Appendix B.

The summary financial effect of our proposals is attached as Appendix A to the report.

Mr. R.S. Dobson (Chairman)

Mr. A.V. Gray

Mr. A.R. Latham

Mrs. A. Robb

APPENDIX A

Report of the Independent Remuneration Panel

FINANCIAL IMPLICATIONS OF THE RECOMMENDED SCHEME OF MEMBERS' ALLOWANCES

	<u>Recommended Scheme</u>	<u>Existing Scheme</u>
<u>Basic Allowance:</u>	£181,460	£176,300
<u>Responsibility Allowances:</u>	£35,941.60	£33,036.60
<u>Co-optees Allowances</u>	£2,100	£2,100
<u>Childcare and Independent Carer's Allowance</u>	£0 assumed at present	£0
<u>Total</u>	£219,501.60	£211,436.60

APPENDIX B

Report of the Independent Remuneration Panel

SCHEME OF TRAVELLING AND SUBSISTENCE ALLOWANCES RECOMMENDED TO APPLY FROM 1ST APRIL 2007

PART 1

Rates of Travelling Allowances and Provisions Relating Thereto

1

- 1.1 The rate of travel by public transport shall not exceed the amount of the ordinary fare or any available cheap fare, and where more than one class of fare is available the rate shall be determined, in the case of travel by ship by reference to first class fares, and in any other case by reference to second class fares unless the body determines either generally or specifically, that first class fares shall be substituted.
- 1.2 The rate specified in the preceding sub-paragraph may be increased by supplementary allowances not exceeding expenditure actually incurred:
 - a) on Pullman Car or similar supplements, reservations of seats and deposit or portage of luggage; and
 - b) on sleeping accommodation engaged by the member for an overnight journey, subject, however, to reduction by one-third of any subsistence allowances payable to him/her for that night.

2

- 2.1 The rate of travel by a member's own solo motor cycle, or one provided for his/her use, shall not exceed:
 - a) for the use of a solo motor cycle of cylinder capacity not exceeding 150 cc, **20.0 pence** per mile.
 - b) for the use of a solo motor cycle of cylinder capacity exceeding 150 cc but not exceeding 500 cc, **20.0 pence** per mile.
 - c) for the use of a solo motor cycle of cylinder capacity exceeding 500 cc, **20.0 pence** per mile.
- 2.2 The rate of travel by a member's own bicycle, or one provided for his/her use, shall not exceed **10 pence** per mile.
- 2.3 The rate of travel by a member's own private motor vehicle, or one provided for his/her use, shall not exceed:
 - a) for the use of a motor vehicle of cylinder capacity not exceeding 999 cc, **40 pence** per mile.

- b) for the use of a motor vehicle of cylinder capacity exceeding 999 cc but not exceeding 1,199 cc, **40.0 pence** per mile.
- c) for the use of a motor vehicle of cylinder capacity exceeding 1,199 cc, **50.0 pence** per mile.

2.4 The rates specified in sub-paragraphs (1) and (3) may be increased;

- a) in respect of the carriage of passengers, not exceeding four, to whom a travelling allowance would otherwise be payable under any enactment, by not more than **10.0 pence** a mile for the first passenger and **10.0 pence** a mile for the second and subsequent passengers;
- b) by not more than the amount of any expenditure incurred on tolls, ferries or parking fees, including overnight garaging.

2.5 For the purpose of this paragraph the cylinder capacity shall be that entered in the vehicle registration book or document by the Secretary of State under the Vehicles (Excise) Act 1971.

3 The rate of travel by taxi-cab or cab shall not exceed:

- a) in cases of urgency or where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity paid, and
- b) in any case, the amount of the fare for travel by appropriate public transport.

4 The rate of travel by a hired motor vehicle other than a taxi-cab shall not exceed the rate which would have been applicable had the vehicle belonged to a member who hired it:

Provided that where the body so approves the rate may be increased to an amount not exceeding the actual cost of hiring.

5 The rate of travel by air shall not exceed the rate applicable to travel by appropriate alternative means of transport together with an allowance equivalent to the amount of any saving in subsistence allowance consequent upon travel by air:

Provided that where the body resolves, either generally or specifically, that the saving in time is so substantial as to justify payment of the fare for travel by air, there may be paid an amount not exceeding;

- a) the ordinary fare or any available cheap fare for travel by regular air service, or

- b) where no such service is available or in the case of urgency, the fare actually paid by the member.

PART 2

Rates of Subsistence Allowance and Provisions Relating Thereto

1

1.1 The rate of subsistence allowance shall not exceed:

- a) in the case of an absence, not involving an absence overnight, from the usual place of residence:
 - i) of more than four hours, or where the authority permits, a lesser period, before 11.00 a.m., (breakfast allowance), **£6.00**;
 - ii) of more than four hours, or where the authority permits, a lesser period, including the period, including a period between 12 noon and 2.00 p.m., (lunch allowance), **£8.00**;
 - iii) of more than four hours, or where the authority permits, a lesser period, including the period 3.00 p.m. to 6.00 p.m., (tea allowance), **£3.00**;
 - iv) of more than four hours, or where the authority permits, a lesser period, ending after 7.00 p.m., (evening meal allowance), **£15.00**.
- b) in the case of an absence overnight from the usual place of residence **£100** (was £80) and for such an absence overnight in London, or for the purposes of attending at an annual conference of the Local Government Association or such other association of bodies as the Secretaries of State for the time being approve for the purpose, **£150.00** (was £110).

(For Bed and Breakfast, rates in 1.1a to be added as necessary.)

1.2 For the purposes of this paragraph, London means 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.

- 2 Any rate determined under paragraph 1(b) above shall be deemed to cover a continuous period of absence of 24 hours.
- 3 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.

- 4.1 Where meals (i.e. breakfast, lunch or dinner) are taken on trains during a period for which there is an 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 would replace the entitlement to the day subsistence allowance for the appropriate meal period.
- 4.2 The limits on reimbursement are:
- a) for breakfast, an absence of more than four hours, or where the authority permits, a lesser period, before 11.00 a.m.;
 - b) for lunch, an absence of more than four hours, or where the authority permits, a lesser period, including the period between 12 noon and 2.00 p.m.;
 - c) for dinner, an absence of more than four hours, or where the authority permits, a lesser period, ending after 7.00 p.m.
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