

INDEPENDENT REMUNERATION PANEL

NOTES OF AN INFORMAL MEETING OF THE ROSSENDALE INDEPENDENT REMUNERATION PANEL

Date of Meeting: 25th September 2006

PRESENT: Mr P V Morris
Mr N Davies

IN ATTENDANCE: Julian Joinson, Democratic Services Manager

APOLOGIES: Mrs G Oates

NOTE: The meeting was not quorate. However, it was decided to discuss the issues on an informal basis.

1. APPOINTMENT OF CHAIR

This item was deferred.

2. REVIEW OF MEMBERS' ALLOWANCES SCHEME

Members of the Panel considered a report of the Democratic Services Manager, in respect of the Members' Allowances Scheme, with a view to highlighting areas within the current scheme which the Panel might wish to review prior to making a formal recommendation on the Scheme for 2007/08.

The report set out the Government's rationale for locally determined Members' Allowance Schemes, which was to encourage more employed people, women, people from ethnic minorities, young people and people with young families to serve their communities. The Scheme should attract more dedicated, highly motivated and representative councillors. The report also set out the duties of the Council in respect of preparing an annual Scheme and its duty to have regard to the recommendations made to it by the Independent Remuneration Panel.

The views of the Panel were being sought at an early stage so that the implications of any proposed changes could be built into the Budget process for 2007/08. A list of the areas upon which the Panel was required to consider was as follows:-

- the duties for which special responsibility, travelling and subsistence and co-optees' allowance should be payable;
- the amount of the basic allowance;
- whether a Dependants' Carers' Allowance should be payable and any such amount;
- Whether to permit, following an amendment to the scheme, the

backdating of an allowance payable for the year to apply from the beginning of the year;

- Whether adjustments should be made in accordance with an index, which index, and what period should be allowed before the application of the index is reviewed. (the Authority might not rely upon that index for longer than a period of four years before seeking a further recommendation of the Panel);
- which Members were entitled to pensions;
- The treatment of Basic Allowance or Special Responsibility Allowance, or both, as amounts in respect of which pensions were paid.

The Panel considered a schedule which compared rates of Basic Allowance, Special Responsibility Allowance and other allowances with the other Lancashire Authorities.

Basic Allowance

Basic Allowance was £1,939 which was based upon the following formula

Average number of hours spent on Council duties per week x £ hourly rate x 48 weeks

A survey of Members in 2002 established that Members spent an average of 12 hours per week on Council duties. That amount was discounted to 8 hours to reflect the public service element of a councillor's role. The hourly rate was set as the National Minimum Wage, £5.05, which provided an automatic index for annual increments.

Basic allowance across all Lancashire Authorities was in the range £1,500 - £5,679, with Rossendale as the second lowest.

Special Responsibility Allowance

A table of the rates of Special Responsibility Allowances was provided. Each office to which an SRA applied was linked to the Basic Allowance by a multiplier in the range 0.5 to 4. It was noted that an increase in Basic Allowance would lead to exponential increase the total of SRA. This factor would need to be considered carefully in the light of any increase in Basic Allowance. The Panel also considered how the Rosendale rates compared to all Lancashire authorities.

Travel and Subsistence

The current scheme referred to nationally prescribed rates. However, these were no longer in operation. The Panel considered that a schedule of allowances should be drawn up locally based upon the NJC rates for staff. There was no information in the current scheme as to what constituted an 'approved duty' for the purpose of making a claim.

Co-optees Allowance

There was no provision for an allowance for co-opted Members, other than for the Chair of the Standards Committee. A vacancy on the Council's Standards Committee remained unfilled. The Panel considered whether a small allowance for co-optees would encourage members of the public to serve.

Dependants' Carers' Allowance

The Panel was informed that the allowance might be claimed to maximum of £750 in respect of children aged 14 or under, or in respect of other dependants where there is medical or social evidence that care is required. The Panel enquired about the take up of this allowance and whether the amount was sufficient, although this information was not available at the meeting. Members raised concerns about how proof of expenditure would be obtained.

Backdating of Allowances

The new Scheme would come into force on 1st April 2007 and it would not be possible to backdate any changes to an earlier date.

Use of an Index

The Panel considered a range of indices for annual increments. Members considered that the Basic Minimum Wage was simple to apply, appealing politically and easily understood by the public. The Panel considered that Paragraph 14 should be amended to clarify how the index is applied to Basic Allowance and the date by which the index would be reviewed.

Pensions

All Members were eligible for access to the Local Government Pension Scheme based upon their Basic Allowance and any SRA.

Suspension of Payments

Paragraph 11 of the scheme referred erroneously to the "Standards and Monitoring Committee". The Panel considered amending this to provide that the power to suspend payments be exercised by the "Standards Committee, upon the advice of the Monitoring Officer".

The Panel were informed that the Council, at its meeting on 24th August 2005 had resolved as follows:-

"That the Remuneration Panel investigates and recommends a voluntary scheme for restricting payment to Council Members who fail to attend meetings or are not available to attend meetings.

That the Panel determines the level of non-attendance which will trigger the operation of the voluntary arrangements and the definition of 'not available', to ensure that these criteria are set independently."

However, Paragraph 5 of the existing Scheme already provides a method for a Councillor to forgo all, or part, of an entitlement to an allowance.

Mayor's Allowance

Rossendale's Scheme made no provision for an allowance for the Mayor, although a number of Lancashire Authorities did make such provision. The Panel considered that the Mayor received compensation 'in kind' for his/her duties.

ICT Allowances

A number of Lancashire Authorities provided for allowances in respect of ICT equipment, particularly where Members were encouraged to purchase and maintain their own equipment. This had the advantage that the Member concerned could keep their equipment at the end of their term of office. Rossendale currently provided ICT equipment directly to elected Members. The Council's ICT Strategy, which was being developed, would indicate whether there would be any change to this approach.

Resolved:

1. To review the figure for the number of hours spent by Members on Council duties.
2. To request that officers carry out a further survey of hours spent by Members on Council business and to provide a further report to the Panel.
3. To agree that that the discount value of 2/3 of total hours worked to account for the public service element be retained.
4. To consider at a future meeting the implications of any proposed increase in Basic Allowance on the total amount of SRAs payable.
5. To request the officers to include a schedule within the Scheme, setting out locally determined rates of travel and subsistence allowance and the criteria for an 'approved duty'.
6. That no allowance be paid to co-optees, except in the case of the Chair of the Standards Committee.
7. That no change be made to the Dependants' Carers' Allowance
8. To note that changes to allowances in respect of the 2007 Scheme cannot be backdated to before 1st April 2007.

9. To retain the Basic Minimum Wage as the relevant index for annual increments and that Paragraph 14 should be amended to clarify how the index is applied to Basic Allowance and the date by which the index would be reviewed.
10. That no change be made to the eligibility for access to the Pension Scheme.
11. That Paragraph 11 be amended to read that the power to suspend payments be exercised by the "Standards Committee, upon the advice of the Monitoring Officer".
12. That no voluntary scheme be introduced for restricting payment to Council Members who fail to attend meetings or are not available to attend meetings.
13. That no additional allowance be paid to the Mayor.
14. To agree that no allowance be introduced for ICT at this stage.
15. To request a further report from officers following consideration of the financial implications of any proposed amendments to the Scheme and any other relevant considerations.
16. To agree that a further meeting be held on Monday, 4th December 2006 to make formal recommendations in respect of the 2007/08 Members Allowances Scheme.

(The meeting started at 3.00 pm and concluded at 4.05 pm.)