

Report to	-	Cabinet
Date	-	14 January 2019
Report of the	-	Executive Director
Subject	-	Members' Allowance Scheme 2019-2023

Recommendation to COUNCIL: That Cabinet considers the report of the Independent Remuneration Panel which was constituted to review the Scheme of Allowances to apply to the newly elected Council in May 2019 and determine the recommendations to be put before the Council.

Democratic Services Manager: Lisa Cooper

Introduction

1. In accordance with the Local Authorities (Members Allowances) (England) Regulations 2003, before an authority makes or amends its allowance scheme, the authority shall have regard to the recommendations made in relation to it by an Independent Remuneration Panel (IRP).
2. Rother District Council (RDC) last set its allowances in 2016 on the understanding that a further review by an IRP would take place in 2018 to take effect for the new Council Term 2019-2023.

Process

3. In accordance with the 2003 Regulations the following persons were appointed to the IRP: Clive Mills, MIHM, retired Public Services Senior Manager, Margaret Sandra, M.A., retired Local Government Advisor and ex-member of the London Borough of Lewisham and Edward Stone, Retired Teacher, Bursar and Chairman of Wealden District Council's IRP.
4. The members of the IRP have between them considerable experience in local government as senior officers, councillors, advisors and members of remuneration committees for other local authorities, finances and public sector management. In accordance with paragraph 20 (3) of the 2003 Regulations, the Council has paid an allowance and expenses incurred by the IRP members in carrying out its functions.
5. The Panel as constituted met on three occasions for the purpose of undertaking this review, have interviewed key Members and officers and been in receipt of detailed documentation as background information in connection with the review process.
6. The IRP's report has been circulated separately to all Members of the Council, deposited for public inspection at the Community Help Points in Bexhill, Battle and Rye and has also been made available for viewing on the Council's website.

7. Having regard to all such information, the IRP has made its recommendations for the Scheme of Councillors' Allowances to apply to the newly elected Council in May 2019-2023.

Recommendations

8. The IRP have made a total of 13 recommendations, 10 in relation to the Allowance Scheme and a further three recommendations for the Council to consider, which technically fall outside their remit.
9. The recommendations are produced in full at Appendix 1, together with the proposed allowances for 2019/20. The headline recommendations in relation to the scheme are as follows:
 - Basic Allowance and Special Responsibility Allowances (SRAs) to be increased by 2% in line with the 2018/19 staff pay award and thereafter each subsequent year during the next 4 years in line with the staff pay award; annual increases to be rounded up or down to the nearest full pound;
 - the current Broadband Allowance of £200 be withdrawn from May 2019;
 - the dependent / childcare allowances be increased to £11.00 and £9.00 per hour respectively (£1.00 increase);
 - specific provision is included within the Members Allowance Scheme to prohibit two SRAs being paid to one Member (the highest one to be paid);
 - travelling Allowances for both the approved mileage and passenger mileage rates be fixed in line with HM Revenue & Customs 'Approved Mileage Allowance Payments' from 2019 – 2023; and
 - Subsistence allowances (breakfast, lunch, tea and dinner) be increased by 10% for the period 2019-2023.
10. Recommendations 11-13 technically fall outside the remit of the IRP but have been made as these are issues that were either raised direct with the IRP by Members or are the IRP's own observations.
 - the Council considers the concept of a shadow Cabinet system during the life of the forthcoming Council;
 - the Council considers the physical and mental well-being of Councillors and how these can be supported, if required; and
 - the Council actively promotes the Allowance Scheme and provisions contained therein to all Councillors and prospective Councillors through the website and pre-election candidate material.

Comments of Strategic Management Team

11. The Strategic Management Team is grateful to the IRP for their work and note the comments made in their report. It is encouraging to note that the Members' Allowance Scheme is not considered to be detracting people from standing for election but the acknowledgement that it needs to keep pace with inflation is accepted.
12. Some of the issues raised will require further discussion with Councillors and may have budgetary and resource consequences but these need to be considered in the light of the requirement to support Members in carrying out their role and the overall budget available.

13. Should Members be minded to accept the recommendations made by the IRP, and in particular the savings generated by the cessation of the Broadband Allowance, the overall increases can be met from the existing revenue budget.

Conclusion

14. Cabinet is requested to consider the recommendations made by the IRP and determine the recommendations to be presented to full Council; in previous years Cabinet have referred the whole report and all recommendations to full Council to enable and full and robust debate by all Members on the Allowance Scheme.
15. In the interests of economy and administration, the Council requested that the IRP made recommendations on allowances for the 4 year period (2019-2023) with an annual adjustment / increase each year, as appropriate, resulting in no requirement to hold further reviews during the lifetime of the next Council.
16. In accordance with the regulations it will be necessary for the Council to reconvene the IRP in Autumn 2022 to review the allowances to be set for the successive Council in 2023.

Malcolm Johnston
Executive Director

Risk Assessment Statement

The current Scheme of Allowances extends only for the duration of the life of this Council and not to set a Scheme would put the Council in breach of statutory duty after May 2019 in relation to the payment of Allowances to Members.

Failure to implement a fair and reasonable Members' Allowance Scheme may prevent some potential candidates from standing for election. The scheme should provide an adequate level of financial support, whilst recognising an element of public service, to enable candidates to stand for election from all demographics of the community.

Recommended Allowances 2019/20

Allowance	Current £	2019/20 £
Basic Allowance (ALL 38 Members)	4387.64	4,475.00
Special Responsibility Allowances:		
Leader of the Council (1)	12814.38	13,071.00
Deputy Leader (1)	3612.63	3,685.00
Cabinet Member (8)	2787.38	2,843.00
Audit and Standards (1)	2039.02	2,080.00
Licensing and General Purposes (1)	2039.02	2,080.00
Overview and Scrutiny (1)	2787.38	2,843.00
Planning (1)	2787.38	2,843.00
Other Allowances:		
Political Group Leaders (currently 2)	436.71	445.00
+ Per Group Member	75.86	77.00
Dependent Allowance	10.00	11.00
Childcare Allowance	8.00	9.00
Broadband Allowance	200.00	0
Co-Optees (Standards Related Matters):		
Independent Persons (3)	340.00	361.00
Town and Parish Representatives (2)	200.00	204.00
Subsistence Allowances:		
Breakfast	5.00	5.50
Lunch	7.00	7.70
Tea	3.00	3.30
Dinner	10.00	11.00

List of final recommendations:Recommendation 1:

That the current Basic Allowance be increased by 2% in line with the 2018/19 staff pay award for 2019/20 and thereafter each subsequent year during the next 4 years in line with the staff pay award agreed in the previous year.

Recommendation 2:

That following each annual increase, the amounts are rounded either up or down to the nearest full pound.

Recommendation 3:

That the current Broadband Allowance of £200 be withdrawn from May 2019.

Recommendation 4:

That the dependent / childcare allowances be increased to £11.00 and £9.00 per hour respectively and that specific reference be made in the Allowance Scheme regarding the qualifying period.

Recommendation 5:

That the current SRAs be increased by 2% in line with the 2018/19 staff pay award for 2019/20 and thereafter each subsequent year during the next 4 years in line with the staff pay award.

Recommendation 6:

That following each annual increase, the SRA amounts are rounded either up or down to the nearest full pound.

Recommendation 7:

That specific provision is included within the Members Allowance Scheme to prohibit two SRAs being paid to one Member.

Recommendation 8:

That the allowances paid to the “co-optees” be increased by 2% for 2019/20 only and NOT be subject to an annual increase.

Recommendation 9:

That Travelling Allowances for both the approved mileage and passenger mileage rates be fixed in line with HM Revenue & Customs ‘Approved Mileage Allowance Payments’ from 2019 - 2023.

Recommendation 10:

That each of the subsistence allowances, breakfast, lunch, tea and dinner be increased by 10% for the period 2019-2023.

Recommendation 11:

That the Council considers the concept of a shadow Cabinet system during the life of the forthcoming Council.

Recommendation 12:

That the Council considers the physical and mental well-being of Councillors and how these can be supported, if required.

Recommendation 13:

That the Council actively promotes the Allowance Scheme and provisions contained therein to all Councillors and prospective Councillors through the website and pre-election candidate material.