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Date: 23 June 2009

Dear Member

COUNTY COUNCIL - THURSDAY, 25 JUNE 2009

I am now able to enclose, for consideration at the meeting of the County Council on Thursday, 25 June 2009, the following report that was unavailable when the agenda was printed.

Agenda No Item

11. **Report of the Independent Remuneration Panel (to follow)** (Pages 1 - 8)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Sass', written in a cursive style.

Peter Sass
Head of Democratic Services & Local Leadership

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By: Fiona Leathers – Chairman of the Independent Remuneration Panel
To: County Council – 25 June 2009
Subject: Proposed revisions to the Members' Allowances Scheme

Summary: The County Council is invited to formally receive the report of the Independent Remuneration Panel and approve a scheme of Members' Allowances for the period 2009 to 2013.

Unrestricted

Background

1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, every relevant local authority is required to review its Members' Allowances Scheme at least once every four years. In doing so, local authorities are required to establish and maintain an independent Remuneration Panel, whose function is to provide the local authority with advice and recommendations on its scheme, the amounts to be paid and whether such allowances should be pensionable.

2. Local Authorities must include in their scheme of allowances a basic allowance, payable to all Members, and may include provision for the payment of special responsibility allowances and a dependents' carers' allowance. In addition, the 2003 Regulations allow the inclusion of a travel and subsistence allowance and a co-optees' allowance, within the allowances scheme.

The work of the Independent Remuneration Panel

3. The Council's Independent Remuneration Panel comprises three independent Members appointed by the County Council. The current Panel members are:

Mrs Fiona Leathers (Chairman)
Mrs Linda Frampton
Mrs Elizabeth Tullberg

4. The Panel has met on four occasions between April and June to undertake the review, during which they met with the three political group leaders. The Panel had access to an extensive analysis of Members' Allowances Schemes in other local authorities, including detailed information from KCC's statistical neighbour authorities and other county councils.

The Basic Allowance

5. Each local authority must make provision in its scheme of allowances for a basic flat rate allowance, payable to all Members of the council. The allowance must be the same for each Member and may be paid in a lump sum or in instalments through the year. The basic allowance is intended to recognise the time commitment of all councillors, including meetings with officers and constituents; attendance at formal and informal KCC meetings and attendance at political group meetings. It is also intended to cover incidental costs, such as the use of Members' homes for KCC business. In addition, the Panel considers that the basic allowance should be inclusive of an element for routine subsistence expenditure on KCC duties and the supply and maintenance of a broadband connection to the Members' homes.

6. In assessing the level of the basic allowance for 2009 to 2013, the Panel took account of the movement in both Cost Price Inflation and Retail Price Inflation since the time the scheme was last reviewed (May 2005) of +10.5% and +9.8% respectively. The Panel also calculated what the basic allowance would be if the average number of hours worked by a typical back bench Member was multiplied by the Local Government Association (LGA) daily rate, less a third for public service. Both of these calculations supported an increase of up to 10% in the level of the basic allowance. The Panel also wanted to ensure that the proposed increase in the basic allowance did not exceed the increase in staff salaries between May 2005 and May 2009 (these increases amounted to 10.33% in total). Accordingly, the Panel agreed that the basic allowance should increase by 8% from £12,000 to £13,000 for the period 2009 to 2013. As in previous years, the Panel agreed that the basic allowance should not be subject to annual increases during the four year period.

Special Responsibility Allowances (SRAs)

7. The scheme makes provision for the payment of Special Responsibility Allowances (SRAs) for those Members who have significant additional responsibilities, compared to a backbench Member. SRAs are payable for duties that fall into a number of different categories, such as a group leader or deputy leader; a Cabinet Member; a Committee Chairman or a Group Spokesperson. The rules also say that where one political group is in control of the Council, provision must be made for the payment of an SRA to at least one Member of a minority group. Because the provision of an SRA is only meant to be for significant additional responsibility, there is an expectation in the statutory guidance that no more than 50% of elected Members would be eligible to receive an SRA.

8. The sizes of the various political groups following the County Council elections and the final shape of the Executive structure were key factors in determining the Panel's proposals on SRAs. The Leader Elect has opted to increase the number of Lead Members on his Executive team and this is reflected in the schedule of SRAs appended to this report. In addition, it is proposed that there be created three new Policy Overview Committees, whose Chairmen should also receive an SRA. The Panel decided to apply the same percentage increase to SRAs as it proposes to apply to the basic allowance but has also, in consultation with the Leader Elect, decided to alter the relative rates of SRAs in a number of positions, with increases in rates for Lead Members, the Vice Chairman of the Council and Select Committee Chairmen; and reductions in the rates for Committee Chairmen.

Pensions

9. The Panel considered the issue of Member entitlement to participate in the Local Government Pension Scheme (LGPS). In doing so, the Panel took account of the recent recommendations of the Councillors' Commission and also heard from the three political group leaders, all of whom considered that the introduction of pensions for Members was one way of encouraging more people to stand for election to the County Council, who have careers elsewhere.

10. However, the panel balanced this against the fact that the level of the basic allowance (even at £12,000 per annum) was high when compared to KCC's statistical neighbour group and took into account the high cost of the employers' contribution (currently 23.1%). Accordingly, the Panel concluded that, whilst they supported the principle of pensions for Members, they could not make a positive recommendation at this stage, but agreed to look again at the matter later this year. In particular, the Panel wishes to look at other options for life insurance for Members.

11. Under Paragraph 11(2) of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Panel's recommendation not to introduce pensions for Members is binding on the Council.

Twin-hatted Members

12. Department for Communities and Local Government (DCLG) guidance states that a local authority's allowance scheme must make provision to ensure that where a member of an authority is also a member of another authority, that member may not receive allowances from more than one authority in respect of the same duties. This provision does not prevent a person who is a member of two authorities receiving a basic allowance or an SRA from both authorities, as long as the payment is not made in respect of undertaking the same duties.

13. The Panel considered that KCC had a considerable number of twin-hatted Members and that this had many positive benefits for KCC in terms of maintaining important links and working relationships with District and Borough Councils in Kent. The Panel also considered that most SRA positions were not full-time; therefore it was possible for a twin-hatted Member to effectively combine more than one SRA position in two authorities. However, the Panel considered that, when selecting Members for SRA positions at KCC, consideration should be given to a Member's ability to commit the necessary time to fulfil the roles successfully, having first considered their responsibilities in other local authorities.

Dependents' carers' allowances

14. The Panel agreed that Members with care responsibilities in respect of dependent children under 16 or dependent adults certified by a doctor or social worker as needing attendance, should continue to be reimbursed for their reasonable care costs, up to a maximum of £6 per hour for each dependent child or adult.

Travelling expenses

15. The Council was advised that during 2008, the Selection and Member Services Committee agreed a revised definition of what constitutes an "approved duty" for the purposes of claiming travel expenses. The Panel agreed to endorse this definition, which is included in the proposed Members' Allowances Scheme.

Role Description for all Members

16. The Panel gave consideration to the introduction of a role description for all County Councillors, which describes the key activities of a KCC Member. The intention behind the introduction of the role description is primarily so that members of the public have a concise description and a clear understanding of the various roles elected Members have in serving their communities. The Panel was pleased to note that all three Group Leaders thought that the role description was a good proposal. The Panel's proposed role description, which will be appended to the Members' Allowances Scheme and, therefore, part of the Constitution, is attached as an appendix to the proposed scheme.

Co-optees' Allowances

17. In view of the expanded role of the Standards Committee in the promotion of high standards of conduct amongst Members; their role in training and developing Members in relation to their responsibilities under the Code of Conduct; and the responsibilities that now fall to the Standards Committee in relation to the local determination of complaints, the Panel proposes the introduction of a co-optees'

allowance for the independent Chairman of the Standards Committee of £1,000 per annum. In addition, the Panel proposes that the daily co-optees allowance for the remaining independent Members of the Standards Committee should be increased from £150 to £200. In doing so, the Panel noted that this daily allowance had not been increased for some years and that the Kent Police Authority's daily rate for co-opted Members was currently £212 (£106 per half day).

Summary

18. The net effect of these recommendations is to decrease the number of Members receiving a special responsibility allowance from 47 (56%) in the existing scheme to 41 (49%) in the proposed scheme (ignoring time-limited allowances for chairing Select Committees).

19. The annual cost of the revised scheme is estimated to be £1.73m compared with an expected out-turn for 2008/09 of £1,608,601, excluding the cost of the employer's National Insurance contributions.

Allowance	Rate	Amount	Total £K
Basic Allowance (84)	-	£13,000	£1,092,000
Leader	100%	£44,300	£44,300
Cabinet Members (9)	65%	£28,795	£259,155
Lead Members (12)	30%	£13,290	£159,480
Chairman of the Council	33%	£14,600	£14,600
Planning Applications Committee Chairman and Deputy Leader of largest Opposition Group	22%	£9,750	£19,500
Vice Chairman of the Council and other Committee Chairman (13), Conservative Spokesperson on the Cabinet Scrutiny Committee (plus Select Committee Chairmen)	17.5%	£7,750	£116,250
Leader of largest Opposition Group	50%	£22,150	£22,150
TOTAL			£1,727,435

Recommendation:

20. The County Council is invited to consider and approve the recommendations of the Independent Remuneration Panel with regard to proposed changes to the Members' Allowances Scheme for the four year period from 2009 to 2013, as detailed in **Appendix 1**.

Fiona Leathers – Chairman of the Independent Remuneration Panel

17 June 2009

Kent County Council
Members' Allowances Scheme

(For the period 8 June 2009 to the election of the Council in May 2013)

BASIC ALLOWANCE

£13,000 per annum (inclusive of an element for routine subsistence expenditure on KCC duties).

SPECIAL RESPONSIBILITY ALLOWANCES

	%	£
Executive		
Leader	100	44,300
Cabinet Members (9)	65	28,795
Lead Members (12)	30	13,290
Council		
Chairman	33	14,600
Vice-Chairman	17.5	7,750
Planning Applications Committee Chairman	22	9,750
Other Committee Chairmen (13) ^(a)	17.5	7,750
Conservative Spokesperson Cabinet Scrutiny Committee	17.5	7,750
Select Committee Chairmen (for period of review)	17.5	7,750
Opposition		
Leader of largest Opposition Group	50	22,150
Deputy Leader of largest Opposition Group	22	9,750

Notes:

- (a) Other Committee Chairmen: Governance & Audit, Health Overview and Scrutiny, Policy Overview (x8), Regulation, Selection and Member Services, Superannuation.
- (b) No Member to receive more than one Special Responsibility Allowance.
- (c) No other allowance to be payable.

TRAVEL EXPENSES

Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 40p per mile for the first 10,000 miles and 25p a mile thereafter.

Parking fees, public transport fares and any hotel expenses will be reimbursed at cost, but only on production of a valid ticket or receipt - the cheapest available fare for the time of travel should normally be purchased.

Taxi fares will only be reimbursed on production of a valid receipt and if use of public transport or the Member's own car is impracticable

Travel expenses will be reimbursed for any journey on council duties between premises as agreed for tax purposes (normally excluding journeys to constituents' homes).

Air travel and rail travel other than to/from London or within Kent should be booked through officers to enable use of discounting arrangements.

Travel expenses will only be reimbursed if claimed within four months.

Journeys undertaken in accordance with the following descriptions are allowed to be claimed for:

- (a) attendance at KCC premises to undertake KCC business, including attendance at Council, Cabinet and Committees, etc (including group meetings) and to undertake general Member responsibilities;
- (b) representing KCC at external meetings, including Parish and Town Councils and those of voluntary organisations where the member is there on behalf of KCC;
- (c) attendance at events organised by KCC and/or where invitations have been issued by County Officers or Members (including Chairman's events and other corporate events); and
- (d) attendance at meetings/events where the Member is an official KCC representative (as determined by the Selection and Member Services Committee) or requested by the Leader or the relevant Cabinet Member.

SUBSISTENCE EXPENSES

These are not normally reimbursed. Hotel accommodation should be booked through officers. Any other reasonably unavoidable costs related to overnight stays, excluding normal subsistence, will be reimbursed on production of a receipt.

DEPENDENTS' CARERS' ALLOWANCE

Members with care responsibilities in respect of dependent children under 16 or dependent adults certified by a doctor or social worker as needing attendance will be reimbursed, on production of valid receipts, for actual payments to a carer while the Member is on Council duties, up to a maximum of £6 per hour for each dependent child or adult. Money paid to a member of the claimant Member's household will not be reimbursed.

PENSIONS

Members are not eligible for admission to the superannuation scheme.

CO-OPTED MEMBERS

An allowance is payable to the Independent Chairman of the Standards Committee of £1,000 per annum and the daily rate for the remaining co-opted Members of the Standards Committee is payable at £200 per day.

NO OTHER ALLOWANCES ARE PAYABLE

Role Description – All Members
(as representatives elected by their division)

Responsible to: Kent County Council and the people of Kent.

Role purpose: To represent the views of their local community and the people of Kent generally within and outside the Council.

1. To represent the individual constituents within their Divisions, undertaking casework on their behalf and serving all equally.
2. To liaise with Cabinet Members, other Council Members, officers and other service providers in ensuring that local community needs are considered and identified.
3. To encourage and promote two-way communication within the local community about the decisions of Council, information about Council services and Council procedures.
4. To represent the views, aspirations and concerns of the people of Kent as a whole, providing the focus for local democracy.
5. To participate in full Council meetings:
 - to determine the strategic priorities and objectives of the Council;
 - to approve the annual budget and capital programme and the Council's Policy framework;
 - to approve the scheme of remuneration for Members;
 - appoint and remove the Leader of the Council;
 - to appoint the Chief Executive;
 - to approve the Constitution and any amendment to it; and
 - to approve any other matters which by law can only be determined by the Council or one referred to Council.
6. To hold the Leader and Cabinet to account through scrutiny.
7. To participate as a member of the Cabinet, committee or advisory panel to which they are appointed.
8. If appointed, to represent the Council on outside bodies.
9. To monitor the effectiveness of service delivery and the appropriateness of policy across the County.
10. To ensure the probity of Council financial and other transactions (including through audit and standards processes).
11. To develop and maintain a working knowledge of the Council's services, management arrangements, powers/duties and constraints and to develop good working relationships with the relevant officers of the Council.
12. To lead by example and uphold the highest standards of conduct in public life and comply with the Code of Conduct and the Council's Constitution
13. To undertake such training and development as the Council, the Standards Committee or the Member's own Group may recommend from time to time.

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