

EASTBOURNE BOROUGH COUNCIL**REVIEW OF MEMBERS' ALLOWANCES 2006****REPORT OF THE INDEPENDENT REMUNERATION PANEL****1.0 Summary of main recommendations**

- 1.1
- That the basic allowance payable to all councillors be £3,504.
 - That special responsibility allowances (SRAs) continue to be paid to all existing post holders with the addition of the Deputy Chairman of the Scrutiny Committee and the members of the Shadow Cabinet (other than the Opposition Leader and Deputy who already receive allowances) (rate for both set at 25% of the basic allowance).
 - That the SRA rates be increased in line with the increase in basic allowance, with a higher increase for the posts of the Leader (increased from 150% of basic to 200%) and the Deputy Mayor and the Deputy Leader (both increased from 100% of basic to 125%).
 - All other allowances either unchanged or small rounding-up and/or inflation adjustments only recommended with exception of the higher rate carers' allowance which is recommended for increase to £9.00 per hour (up from £8.12) and the overnight evening meal subsistence allowance recommended at a maximum of £35.00.
 - Approval to arrangements for an Information and Communication Technology (ICT) Allowance should the Council decide to adopt such an allowance following a review of arrangements for meeting Councillors' ICT needs.
 - New rates to be effective as from 1 April 2007.
 - That annual cost of living adjustments be made on 1 April in subsequent years.
 - That all other aspects of the Council's Allowances Scheme remain unchanged.

2.0 Introduction

- 2.1. It is a requirement of the regulations¹ governing the making and amendment of allowances schemes that an Independent Remuneration Panel (IRP) be established by the Council to review allowances and make recommendations to the Council. Provision has been made in the Council's Constitution for the establishment of such a Panel. Councils and their remuneration panels are required to have

1 The Local Authorities (Members Allowances) (England) Regulations 2003 as amended and the Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003.

regard to guidance issued by the Secretary of State² The Council is required under the regulations to have regard to the recommendations of the IRP. This is not to say that they must follow the Panel's recommendations to the letter. They can choose to implement some but not all the recommendations or to phase-in recommendations over a period of time for financial reasons. Where the Council wish to vary the Panel's recommendations they should only do so where they can demonstrate good reasons.

- 2.2. The Council's current scheme came into force on 1 December 2003 following resolution of the Council on 12 November 2003 after consideration of the report of the IRP dated 29 October 2003. Subsequently, amendments were approved by the Council on 23 February 2006 to provide for separate licensing allowances. This followed a report by the IRP dated 8 February 2006.
- 2.3 This report represents the 3rd report by the Panel under the current regulatory framework and completes a process that was begun in 2003 to fully review the allowances scheme. The intention is that the updated scheme be brought into effect as from 1 April 2007 and run for the full 4 years permissible under the regulations. A further review would therefore need to be undertaken in the course of 2010 with a view to implementation on 1 April 2011. The Panel noted that whole council elections were due to be held in May 2007 and then in May 2011 and therefore the life of the scheme and terms of office of councillors would be brought into line. The Council can of course at any time request a further review of part or all of the scheme should circumstances change, for example, if the Council's political management structure were to change.

3.0 The Council's Political Management Structure and Roles

- 3.1 The Panel's review has been conducted on the basis of the following structure:
 - Full Council consisting of 27 elected members.
 - An executive Cabinet of either 4 or 3 elected members plus the Leader; all members of the Cabinet having portfolio responsibilities.
 - Two parties represented on the Council (currently 15 Conservative and 12 Liberal Democrats) and no other political groups or independents at the present time.
 - Recognition of the largest (and currently the only) opposition group and that group's Shadow Cabinet for the purpose of receiving briefings etc. on Council business.
 - A Scrutiny committee of 7 elected members whose Chairman is an opposition group member and a Deputy Chairman from the controlling group. The work of the committee being conducted

² New Council Constitutions Guidance on Consolidated Regulations for Local Authority Allowances (Department for Communities and Local Government)

principally through informal task groups.

- A Standards Committee of 6 members, 2 of which are independent co-optees and 4 elected members. The Chairman is one of the co-optees.
- A Planning Committee of 8 elected members (plus 4 trained reserve members to act as substitutes when required) to deal with planning applications not otherwise dealt with by the Planning Officer under delegated powers.
- A Licensing Committee of 15 elected members to undertake the authority's duties under the Licensing Act 2003 (and also a General Licensing Committee with the same membership to deal with other licensing duties). Much of the work of the Committee being delegated to Sub-committees of 3 elected members.
- A number of smaller committees and advisory bodies and other panels, task groups and project management boards established by either the Council or the Cabinet to support or undertake the work of the authority.
- Elected members appointed to sit on a wide range of outside and other bodies.

4.0 Membership of the Panel

4.1 The Panel comprises:-

Neville Beckhurst – Fellow of The Institute of Chartered Accountants in England and Wales since 1983. A senior partner in Plummer Parsons. Other roles are or have been Director and Treasurer of the Eastbourne District Chamber of Commerce, Chairman of the East Sussex Group of the Institute of Chartered Accountants in England and Wales and President of Eastbourne Sovereign Rotary Club.

Lesley Goble – Chief Executive of Eastbourne Association of Voluntary Service since 2000. Member of the Eastbourne Strategic Partnership, Chair of Altogether Eastbourne and member of the Healthy Eastbourne Board.

Chris Whitwell – Manager, Eastbourne Citizens' Advice Bureau. Previously Assistant Director Environmental Services Brighton and Hove City Council. Member of the Sussex Probation Board.

5.0 Philosophy and approach

5.1 The Panel's overall objective is to ensure that the scheme of allowances that is recommended is simple, fair and easy to administer.

5.2 In assessing the amount of the allowance and whether or not it is appropriate to pay an SRA to any particular Council position, the Panel believe the following principles should apply:-

- That the scheme as a whole should seek to overcome the

financial and other disincentives that an individual may experience in being a councillor and assist in encouraging persons from all sections of the community to become and remain councillors.

- That any direct comparison with a salaried employee is only useful to a limited extent and that an element of voluntary/public service ethic in the office of a councillor.
- That part of the allowance should reflect the level of responsibility and part the workload expected of the councillor holding the position.
- That account should be taken of the expenses that a councillor can be expected to incur in the performance of his/her duties and which are not otherwise recompensed through the allowances scheme or by any other means.

6.0 Regulations and guidance

6.1 The basic allowance (paid at the same rate to all councillors) is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.

6.2 Special responsibility allowances (SRAs) may be paid to those councillors who have significant responsibilities that fall within the following categories of duty:-

- acting as leader or deputy leader of a political group
- membership of the cabinet
- presiding at meetings of a committee or sub-committee
- representing the authority at meetings of another body
- membership of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
- acting as a spokesperson for a political group on a committee or sub-committee
- membership of a panel dealing with licensing or controlling any activity
- any other activities in relation to the discharge of the authority's functions as to require equal or greater effort of the member than any of the activities listed above.

7.0 Documentation

- 7.1 A list of the documentation submitted to and otherwise considered by the Panel is listed in Appendix 1.

8.0 Methodology and meetings

- 8.1 The Panel met on 3 occasions: 20 April, 13 June and 25 July 2006. At their first meeting the Panel considered the scope of the review, the evidence available and determined the further information required and the Panel's work programme. At their second meeting, the Panel met with a group of Councillors in order to better gain an appreciation of the role of a councillor and to examine in greater detail the responsibilities of the positions of Leader, Cabinet member, Shadow Cabinet member, Mayor and Deputy Mayor and the work of the Scrutiny Committee among other roles undertaken by councillors. At the final meeting the Panel reviewed the evidence and made preliminary findings. In due course their report was drafted and final agreement reached on the recommendations.

9.0 Details of findings and recommendations made

9.1 Main findings

- 9.1.1 **Overview.** The Panel's key finding was that the overall level of both basic and special responsibility allowances should be increased by a substantial amount and by at least 50% across the board. The Panel acknowledged that this was a substantial sum but considered there were special reasons why such a large increase was justified. This finding was based on evidence from comparisons with other councils, an assessment of the hours worked by councillors on council business and the application of the principles set out in paragraph 5.2 above. In particular, it was noted that the current rates for basic and special responsibility allowances, adopted in 2003, had for the main part been carried forward from the previous scheme without a full review and that they were set at a relatively low level in comparison with other local councils of similar population and responsibilities.
- 9.1.2 **Allowances spend per head of population.** In addition to information giving the amounts of allowances for other district councils provided by South East Employers, the Panel also received detailed information in respect of a number of councils throughout England which were considered to share certain characteristics with Eastbourne. This was supplemented with information from other councils in the Audit Commission's "family group" where the "cost of democracy" per head of population was calculated. This was the total cost of the council's allowances scheme divided by the population of the Council's area. Of the 10 councils where this information was available, Eastbourne came lowest at £1.18 per head and Fylde Borough Council came highest at £3.45. The proposed increases recommended by the Panel would have the effect of increasing Eastbourne's spend to about £1.80 per head. This would still leave Eastbourne with the lowest spend per head of all the councils

compared in this fashion.

- 9.1.3 **South East averages and median.** The Panel also had regard to information collated by South East Employers which showed that the south east average for basic allowance among district councils was £3,768 (the highest was £6,655 the lowest was £2,000 and the median figure was £3,804). Similar information was available for the main SRA payments and this showed a significant shortfall between Eastbourne's rates and the south east average and median figures. This summarised information is reproduced in Appendix 2.
- 9.1.4 **Time commitment.** The Panel took note of the survey which had been undertaken in 2003 assessing the time spent by Eastbourne councillors on their council activities. The Panel also received a copy of the latest national census of local authority councillors³. The findings in this report corroborated the findings of the local survey. Nationally, on average, district councillors undertook 17.4 hours per week on council and political business for their council. The 2003 survey figure for Eastbourne councillors was that about 22 hours per week were spent on average on council and council related political business. This higher figure for Eastbourne councillors is not unexpected given, that at 27 councillors, Eastbourne, for its size, has one of the smaller council memberships of a district council. To illustrate this, if the national minimum wage of £5.35 per hour is for example applied, it would equate to £6,120 per annum per councillor. As a point of comparison, the total amount of the Councils' current basic and SRAs adds up to approximately £3,630 per councillor. Another key finding of the national survey was that many councillors undertook unpaid voluntary/charitable work (49.8%), held school governorships (47.8%) and were on public boards (30%).

9.2 Basic allowance

- 9.2.1 The Panel believed this should be substantially increased from the current rate of £2,310 per annum. The amount proposed would bring Eastbourne closer in line with other comparable councils and would better reflect the time commitment of councillors and otherwise meet the principles set out at paragraph 5.2 above. The Panel's initial figure was £3,500, however this was amended to £3,504 in order to satisfy Payroll's preference for an amount that when divided by 48 (i.e., 12 monthly instalments at the rate of 25% of the basic amount – the lowest of the SRA rates) gives a figure of whole pounds and pence.
- 9.2.2 The basic allowance would continue to be expected to meet councillors' travel and subsistence expenses for activities that took place within the Borough and cover the cost of telephone calls.

³ National census of local authority councillors in England 2004 published by the Employers Organisation and the Improvement and Development Agency

- 9.2.3 **Recommendation 1: That the basic allowance payable to all councillors be £3,504 per annum.**

9.3 Special responsibility allowances

- 9.3.1 **Existing SRAs.** The Panel considered whether the same general level of increase should be applied to the special responsibility allowances. The Panel reviewed the relationship between the different allowances, the question as to whether all the existing allowances should be continued and also the possibility that other council positions, not previously recognised, should be given an allowance. Subject to the changes in the following paragraphs, the Panel believed that the relationships between SRAs and the basic allowance and between the different SRAs should be maintained.
- 9.3.2 **Shadow Cabinet.** The Panel's attention was drawn to comment that had previously been made in response to questionnaires that a special responsibility allowance should be paid to the members of the Shadow Cabinet. At present, only the Opposition Leader and Deputy Leader received allowances. The Panel considered that this would be appropriate. An allowance set at 25% of the basic allowance is therefore recommended. The allowance would be limited to up to 3 additional members of the Shadow Cabinet apart from the Opposition Leader and Deputy.
- 9.3.3 **Deputy Chairman of Scrutiny.** The Panel was also informed as to recent changes in the Council's political management structure that had involved a widened remit for the Scrutiny Committee and in particular the creation of a greater role for the Deputy Chairman of that Committee (alongside the Chairman) in planning and monitoring the Committee's workload, the activity of Scrutiny task groups and the Council's performance monitoring generally. For this reason the Panel considered that the Deputy Chairman of Scrutiny should in future receive an allowance set at a rate of 25% of the basic allowance.
- 9.3.4 **Other Roles.** The Panel also considered whether there were any other positions of responsibility that would merit an SRA. They noted that there were a number of smaller standing bodies such as the Annual Accounts Committee, Audit Task Group, Grants Task Group, Conservation Area Advisory Group, together with a variety of time limited task groups, project management boards etc. On balance, the Panel believed that chairmen of these bodies should not receive an SRA as such and that recognition of these activities be given through the basic allowance.
- 9.3.5 **Mayor and Deputy Leader.** In reviewing the overall relationship between the different amounts awarded to SRA positions, the Panel concluded that those of both the Mayor and the Deputy Leader justified a higher ranking having regard to the workload and responsibilities undertaken by the holders of these 2 positions. These 2 allowances should increase from £3,504 (100% of the proposed new

basic allowance) to £4,380 (125%).

- 9.3.6 **Leader of the Council.** The Panel then considered the role and workload of the Leader of the Council. They had regard to the evidence given to them concerning the level of commitment required of the Leader. Their attention was also drawn to the figures shown in Appendix 2 which showed a degree of consistency between the proposed SRAs of other positions on the Council in relation to the South East average (i.e. all were below the average, but to a broadly similar degree of about two thirds). In the case of the Leader, if the current multiplier of 150% of the proposed new basic was applied this would give the Leader an SRA of £5,256. This was less than half the South East average. The Panel accepted that for a Council of Eastbourne's size (at about the mid-point of the range of district councils in population terms) and responsibilities and given the relatively small size of the Council's Cabinet, a multiplier of 200% would be more appropriate. This would give an SRA of £7,008.
- 9.3.7 **Licensing.** In view of the fact that SRAs for licensing and planning activities had been considered earlier in the year the Panel did not review these other than to note that the work of the Licensing Sub-committees had appeared to have settled at a manageable level. It waited to be seen what impact the review procedures under the Licensing Act would have and also what work would be introduced as a result of the new Gambling Act responsibilities. The amounts of Licensing Sub-committee SRAs would otherwise have been due to receive a cost of living adjustment on 1 April 2007 and therefore the recommended amounts take account of an assumed 2.5% increase. In all other respects the arrangements for Licensing Sub-committee SRAs should remain unchanged.
- 9.3.8 The Panel also noted that the Council would shortly start to exercise responsibilities as a Gambling Authority under the Gambling Act 2005. Hearings would be conducted by sub-committees in the same way as Licensing sub-committees. The membership and Chairman of the Gambling Committee would be the same as for the Licensing Committee. The expected sub-committee workload was not expected to be particularly great (primarily dealing with betting shops, amusement arcades, bingo etc.) and certainly not on the scale required for alcohol and entertainment licensing.
- 9.3.9 **Multiple SRAs.** The Panel also reviewed the previous practice that SRAs be paid in full to all recipients regardless of how many SRAs a particular councillor was entitled to receive. They noted that some councils had arrangements whereby a second or subsequent SRA was reduced. Information was provided to the as to those councillors who held more than one SRA position. Apart from one councillor who held both the Licensing Committee chairmanship and was an ordinary member of the Planning Committee and another who was Deputy Mayor and a reserve member of the Planning Committee, the only other councillors receiving more than one SRA were those councillors

who were called upon from time to time to serve as members of Licensing Sub-committees. Should the Panel's recommendations for additional SRA positions be agreed this would add one other councillor to that list in that the Chairman of the Scrutiny was also a member of the Shadow Cabinet. The Panel's view was that if a councillor was appointed to a particular position benefiting from an SRA they should receive that SRA in full notwithstanding any other responsibilities they might have. It was for the Council as a whole to determine what positions any particular councillor should hold and to hold them accountable for performing the duties and carrying out the responsibilities of that position in a satisfactory fashion. In any event, the extent to which a small number of councillors may receive more than one SRA was not considered such that the relationship of payments to different councillors was unbalanced. No change in practice was therefore recommended.

9.3.10 Recommendation 2: That the following special responsibility allowances be paid at the annual rates shown below:

Position	No.	% of basic	£ per annum
Leader of the Council (and Chairman of the Cabinet)	1	200	7,008
Mayor	1	125	4,380
Deputy Leader	1	125	4,380
Other Cabinet member	3	100	3,504
Leader of largest Opposition Group	1	75	2,628
Chairman of Planning Committee	1	75	2,628
Chairman of Scrutiny Committee	1	50	1,752
Chairman of Licensing Committee	1	50	1,752
Deputy Mayor	1	50	1,752
Ordinary member of Planning Committee	7	50	1,752
Deputy Leader of largest Opposition Group	1	50	1,752
Deputy Chairman of Scrutiny Committee	1	25	876
Reserve member of Planning Committee	4	25	876
Other Shadow Cabinet member	3	25	876
Total number of SRA's (if all taken up):	27		57,816

9.3.10 Recommendation 3: That the Chairman's SRA for Licensing Sub-committee be increased from £77 to £80 and the ordinary member's SRA from £51 to £53 and that Sub-committees established under the Gambling Act 2005 be recognised for the purposes of the payment of SRAs in the same way as Licensing Sub-committees.

9.4 Travel and subsistence allowances

9.4.1 The Panel noted that these had been fully investigated as part of the 2003 review. The Panel was asked to consider whether the existing practice of only reimbursing expenses where the official duty had

taken place outside the Borough be maintained (expenses for activities within the Borough being expected to be met from the basic allowance). The advantage of this approach was that the number of claims needing to be processed was kept to a minimum. The disadvantage was that the basic allowance was fully taxed (or regarded as earnings for the purpose of means tested benefits) and also potentially subject to national insurance contributions. A councillor would need to maintain their own private record of expenses to reduce the tax/NI/benefit liability. The Panel believed that the current arrangements should continue given the absence of any strong call from councillors for change and the administrative simplicity of the current arrangements.

9.4.2 The Panel saw no reason to change travel rates believing that the link to Inland Revenue approved rates should be maintained. For subsistence allowances, the Panel recommended small increases in the maximum amounts recognising that the costs of eating out had risen by more than the Retail Prices Index in recent years. In one area however, the Panel accepted the case for a higher limit for an evening meal when taken as part of an overnight stay. This would recognise the situation when a member at conference was expected to dine with a particular group or with colleagues and was not in a position to choose where to dine. Currently such claims could be allowed, but only on an exception basis. The Panel noted that as long ago as 2001, the Council had specified a maximum of £35 for members and officers in such circumstances. The Panel believed that this higher rate should be formally adopted as a maximum. All claims would have course have to be accompanied by receipts. This change would reduce the administrative work associated with the processing of such claims. It was also noted that the number of such claims in any one year was generally low; 4 claims in 2005/06 and 3 claims in 2004/05.

9.4.3 All existing rules in respect of travel and subsistence covering cost effectiveness, receipts, and non-reimbursable items such as mini-bar, alcohol, newspapers etc. should be maintained.

9.4.4 Recommendation 4: That subsistence rates from 1 April 2007 be as follows:

Meal	Current rate An amount not exceeding £	Proposed rate An amount not exceeding £
Breakfast	5.41	6.00
Lunch	7.58	8.00
Tea	3.25	3.75
Evening meal	13.00	15.00
Overnight/conference evening meal	-	35.00

9.5 Co-optees allowances

9.5.1 The Panel saw no reason to change these rates noting that detailed consideration had been given to these allowances in 2003 and that they were not believed to be out of line with comparable rates paid by other councils. The rates would otherwise have been due to receive a cost of living adjustment on 1 April 2007 and therefore the following recommended amounts take account of an assumed 2.5% increase.

9.5.2 Recommendation 5: That the following rates for co-optees allowances be applied as from 1 April 2007:

Position	Current daily rate £	Proposed daily rate £	Current annual maximum £	Proposed annual maximum £
Independent member and chair of Standards Ctte.	163	167	3,260	3,340
2nd independent member of standards Ctte.	135	138	2,700	2,760

9.6 Dependents' carers' allowances

9.6.1 The Panel was advised that no claims for these allowances had been made since last reviewed in 2003, however, it is considered important that adequate provision continue to be made and that the rates reflect the actual costs likely to be incurred.

9.6.2 In setting the basic amount the Panel had regard to the national minimum wage. There are three levels of minimum wage, and the rates from 1 October 2006 are:

- £5.35 per hour for workers aged 22 years and older
- A development rate of £4.45 per hour for workers aged 18 - 21 years inclusive, workers aged 22 years and above, starting a new job with a new employer and doing accredited training
- £3.30 per hour which applies to all workers under the age of 18 who are no longer of compulsory school age

9.6.3 The Panel believed that a small "rounding-up" increase from the current maximum of £4.87 per hour to £5.00 (a 2.5% increase) was appropriate. The maximum rate where specialist care might be required was currently £8.12. Following research into the likely costs of obtaining such care it was recommended that a maximum rate of £9.00 per hour was appropriate. The Panel noted that the allowances scheme provided for a maximum amount which any member could claim in the course of one financial year.

9.6.4 Recommendation 6: That as from 1 April 2007 the basic rate

of dependents' carers' allowance be set at a maximum of £5.00 per hour and the higher rate at a maximum of £9.00 per hour.

9.7 Information and communication technology allowance

- 9.7.1 The Panel was advised of a suggestion that the Council move away from the current policy of providing Councillors with laptops (i.e. all those who required one) and instead rely on the fact that most councillors already had their own equipment. Such a change was driven partly by a need to save money (the current laptops are at the end of the life and need replacing and staff/contractor time spent supporting laptop use is significant) and partly as a recognition that many councillors actually prefer to use their own equipment (either at home or work). Such a change had still to be discussed in detail with councillors. It was however considered that it would be useful if the Panel could reach agreement on a framework under which allowances could meet the information and communication technology needs of councillors in the future.
- 9.7.2 The draft proposal put before the Panel was that for the 4 years of the councillor's term of office commencing May 2007 (following the whole council elections), Councillors should receive an allowance in 2 parts. The first being an annual ("revenue") allowance paid monthly to support their running costs (i.e. broadband connection and line rental costs and consumables). Currently, the Council paid up to £30 per month for the broadband connection (either direct or as a reimbursement). By merging the broadband cost into a wider support allowance it would reflect the fact that different technologies were converging. Different councillors would no doubt in the near future wish to pursue different means of IT, digital and phone connection that best suited their personal requirements and the "one size fits all" approach by the Council was beginning to appear inflexible and unnecessarily expensive.
- 9.7.3 The second element of the allowance would be a sum ("capital allowance") which they could draw down at any time over their 4 year term of office to meet the cost of purchasing/replacing/upgrading a computer (or indeed other approved ICT equipment such as a printer, mobile phone, answer machine etc.). Payment would be made by way of reimbursement of actual expenditure incurred and proof of purchase would be required. The suggestion was that the amount be based on the cost of buying a mid-range specification PC with flat screen and printer/scanner/copier, fully loaded with appropriate software and warranty/service support costs all taken into account. At an approximate annual cost of say £1,000 for each councillor over the whole of their 4-year term this would equate to a maximum cost of £6,750 a year in total (although not all councillors might wish to draw down their full entitlement). This would give each councillor a fair degree of choice on how to spend the money to best support their needs.

- 9.7.4 The Panel did however note that such arrangements could be less tax/NI/benefits efficient if the whole amount was treated as income. It was understood that further enquiries would need to be made and assessments given before the Council would be in a position to reach a final decision. The Panel accepted that the final shape of the new arrangements might well be different from that presented to them and that the limits suggested by the Panel should be considered as an overall guide as to reasonableness.
- 9.7.5 A review of the arrangements in other district councils indicates that this level of support is broadly in line with the practice in many other councils. Many provide laptops or home P Cs. Others provide grants of typically £1,000. Many meet broadband costs or otherwise provide allowances to meet on-going running costs.
- 9.7.6 Given the highly competitive nature of the ICT market it was considered that the £1,000 maximum reimbursement rate be fixed for the whole 4 years until 31 March 2011 and not be subject to an annual cost adjustment.
- 9.7.7 *Recommendation 7: Approval is given to arrangements for an Information and Communication Technology (ICT) Allowance should the Council decide to adopt such an allowance following a review of arrangements for meeting Councillors' ICT needs. That the amount of any allowance for meeting on-going connection, consumables and related costs should not exceed £35 per month (£420 per annum) and that financial assistance in the provision of ICT equipment including software be limited to a maximum of £1,000 over the 4 years of a councillor's term of office. Further, in the event that different arrangements are eventually approved by the Council, these recommendations are taken as an overall guide as to reasonableness.***

9.8 Pensions

- 9.8.1 The Panel was advised that the Council had taken a formal decision in 2003 (in line with an earlier recommendation of the Panel at that time) to allow for both basic and special responsibility allowances to be pensionable for those councillors who wished to take out a pension and who were eligible to do so under the Local Government Pension Scheme. It was noted that to date 3 councillors only had taken up this option. No further recommendation was required to be made and the current arrangements should continue.

9.9 Backdating, implementation and phased implementation

- 9.9.1 When a scheme of allowances is amended the Council may choose to apply the amendment retrospectively to the beginning of the financial year in which the amendment is made. The Panel makes no recommendation in this respect in so far as this review is concerned.

9.9.2 The Council may choose to implement changes recommended by the Panel at a later date than that proposed or to phase implementation.

9.9.3 *Recommendation 8: That the changes to the allowances scheme recommended by the Panel be implemented as from 1 April 2007.*

9.10 Annual adjustment

9.10.1 The regulations provide that where a Panel make a recommendation that allowance levels should be adjusted according to an index it should also make a recommendation as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an Independent Remuneration Panel. The regulations provide for a single annual adjustment and it is intended that this should continue to be effective as from 1 April in any one year.

9.10.2 For all other allowances, apart from travel and ICT allowances, the Panel considered that the most appropriate index should continue to be the Retail Prices Index (RPI). For travel allowances the rates should continue to be adjusted by reference to the Inland Revenue rates. No adjustment was recommended for ICT capital allowance for the reasons given at paragraph 9.7.5 above.

9.10.3 *Recommendation 9. That the current annual adjustment provisions for allowances be maintained for the full 4 years possible under the regulations, with the exception of any ICT allowance where no adjustment should be made..*

10.0 Implications

10.1 It is the Borough's practice to include in all its reports paragraphs detailing the effect that a matter will have having regard to a number of implications headings. The Panel's attention was drawn to equalities and resource implications as the relevant headings for this report.

10.1 Equalities implications

10.1.1 The payment of allowances generally is intended to allow and encourage people from the widest possible range of backgrounds to serve as councillors.

10.2 Resources

10.2.1 The Panel is not obliged to have regard to the Council's financial position when making recommendations upon an allowances scheme. The Panel was advised that cost was not a material factor for their consideration.

11.0 Acknowledgements

- 11.1 The Panel would like to thank Councillors Mrs Banister, Belsey and Lucas for their time in meeting with the Panel. The Panel would also like to thank all those councillors who took the time and trouble to complete questionnaires that had been conducted either as part of the initial 2003 review or the licensing review and for the additional comments submitted as part of those consultations.
- 11.2 The Panel recorded their appreciation and thanks David Robinson, Local Democracy Manager, and Katie Armstrong, Scrutiny Co-ordinator, for the provision of information and their work in support of the Panel.

Chris Whitwell
Panel Member

Neville Beckhurst
Panel Member

Lesley Goble
Panel Member

12 December 2006

(der/P:members allows/2006/IRP report final)

Appendix 1

List of documents received and otherwise considered by the Panel

(those marked **E** are available electronically)

Document No.	Description of Document
1.	New Council Constitutions – Guidance on Consolidated Regulations for Local Authority Allowances – Government Guidance paper E or see http://www.communities.gov.uk/index.asp?id=1133828
2.	Eastbourne Borough Council Members’ Allowances Scheme (Part 6 of the Council’s Constitution) E or see http://www.eastbourne.gov.uk/council/constitution
3.	Information Pack (with extracted details of other councils’ allowances schemes)
4.	South East Employers’ Survey on Members’ Allowances (May 2006) and Councillors’ IT Support Arrangements (March 2006) E
5.	Analysis of 10 councils in the “Audit Commission Family Group” of the “cost of local democracy” E
6.	Summary of responses to Councillors’ Questionnaires (originally provided as part of the 2003 and 2006 reviews) E
7.	National Census of Local Authority Councillors in England 2004
8.	IRP Report October 2003 E
9.	IRP Report February 2006 E

To see or obtain a copy of any of the above please contact David Robinson, Local Democracy Manager, Eastbourne Borough Council, Town Hall, Grove Road, Eastbourne, BN21 4UG. Tel: (01323) 415022.
E-mail: david.robinson@eastbourne.gov.uk

Appendix 2

**Shire District Councils in the South East
Information extracted from South East Employers' May 2006 Survey**

	Leader £	Deputy Leader £	Cabinet Member £	Ch of Scrutiny £	Ch of Licensing £	Ch of Planning £	Basic £
SE average	11,016	6,197	5,517	3,355	2,387	3,432	3,768
SE highest	22,308	17,732	11,154	7,446	5,350	7,641	6,655
SE lowest	2,480	483	1,400	1,100	256	723	2,000
SE median	10,545	5,606	4,975	3,000	2,193	3,343	3,804
<i>EBC current</i>	<i>3,465</i>	<i>2,310</i>	<i>2,310</i>	<i>1,155</i>	<i>1,155</i>	<i>1,734</i>	<i>2,310</i>
<i>EBC proposed</i>	<i>7,008</i>	<i>4,380</i>	<i>3,504</i>	<i>1,752</i>	<i>1,752</i>	<i>2,628</i>	<i>3,504</i>