

REPORT OF STANDARDS COMMITTEE

(Meeting held 25 February 2005)

1. MEMBERS' ALLOWANCES SCHEME (REPORT A) (MIN NO. 21)

The Committee reports having considered various issues relating to the Members' Allowances Scheme, and in particular the % increase to apply to members' allowances with effect from the date following the annual meeting of the Council. The Council will be aware that the Members' Allowances Scheme provides for allowances to be uprated annually by the average increase in the New Forest hourly earnings rate.

In previous years the New Earnings Survey (NES) was used as the basis for uprating members' allowances. The NES has been discontinued by the Department for National Statistics. A new set of data, the Annual Survey of Hours and Earnings (ASHE), has been established but because the data is now presented in different formats, meaningful comparisons with previous years in a 'like for like' way cannot be made. Prior to the matter being considered by the Committee, officers had requested individual views from the three members of the Independent Remuneration Panel, who had all been of the view that, as an interim measure and pending review, members' allowances should be increased by the percentage increase in the Retail Price Index (all items) for the 12 months to the end of December 2004, which was 3%.

In the light of the fact that the earnings data had changed, the Committee agreed that it was necessary for the Remuneration Panel to be convened later in the year to review:

- the hourly rate which formed the basis of the calculation of members' allowances, and
- the annual uprating factor to apply in the future.

This could be done when the Panel met later in the year to review whether a special allowance for members of the General Purposes and Licensing Committee was warranted because of the anticipated additional workload on members of that Committee arising from the new licensing regime.

The Committee was reminded that, for the year to December 2003, average hourly earnings in the New Forest had risen by 9.2%. The Council had declined to accept this increase and had instead decided to limit the increase in members' allowances for the year commencing May 2004 to 4.6%, i.e. half the increase in average earnings. They reported that discussions with colleagues had shown support for an increase of 4.6% from May 2005, which would represent the amount not awarded the previous year.

The Finance and Support Portfolio Holder pointed out that the Council has consistently set a lower rate of members' allowances than that recommended by the Independent Remuneration Panel. He felt that the index upon which the hourly rate and uprating fact were based, i.e. the average hourly New Forest earnings, had proved to be unreliable, and that the index should be based on a wider sample to ensure a more robust link for the future. His view was that an increase of 4.6% could be justified, bearing in mind that the Council had last year accepted an increase of only half that to which members were entitled.

He reminded the Committee that the level of allowances was calculated by multiplying hours worked per year by the hourly rate, and that 1/3 of that amount was deducted from the basic allowance to reflect the 'voluntary discount'.

However, other members of the Committee pointed out that many private sector organisations were awarding pay increases below 3%. They considered that in the circumstances, and pending a thorough review of the index-linking of the hourly rate, a 3% increase for the year commencing May 2003 was reasonable. It was noted that any rates that might be agreed in the future on the recommendation of the Independent Remuneration Panel could be made retrospective.

The Committee has also considered travel and subsistence allowances in the light of the first year of operation of the reimbursive claims system. The recommendations of the individual members of the Independent Review Panel on possible changes to the duties in respect of which travel or subsistence allowances could be claimed have been received. The Committee recommends the inclusion of the duties detailed in the recommendation below as duties that qualify for the payment of travel and subsistence allowances.

The Committee noted that, in making their recommendations for the inclusion of these additional duties, members of the Independent Remuneration Panel wished to encourage car sharing wherever possible, particularly in regard to planning site visits.

RECOMMENDED:

- (a) *That, having received a recommendation from members of the Independent Remuneration Panel, and pending a review of the index to which the hourly rate for members' allowances is linked, the scheme of Members' Allowances be amended to provide that for the year commencing 17 May 2005 allowances be increased by the average increase in the Retail Price Index (all items) as at December 2004, which was 3%.*
- (b) *That the following journeys be included in Appendix 3 of the Scheme as journeys qualifying for the payment of travel and subsistence allowances:*
- *Journeys undertaken by members of the Planning Development Control Committee and local members to view sites that are the subject of planning or tree work applications, when the member considers a visit essential.*
 - *Journeys undertaken by members to collect or deliver ICT equipment issued to them by the Council, provided such collection or delivery cannot reasonably wait until the member makes his or her next scheduled visit to the Council's offices.*
 - *Journeys by Chairmen, Vice-Chairmen and Opposition Group Spokespersons to attend pre-meeting briefings.*

- (c) *That the Independent Remuneration Panel be convened later in 2005, once the additional workload on members of the General Purposes and Licensing Committee arising from the introduction of the new licensing regime has been established, to review and make recommendations on:*
- *Any additional allowances to members arising from the new licensing regime; and*
 - *The hourly rate to which members' allowances are linked; and*
 - *The uprating factor.*

Councillor J A G Hutchins
CHAIRMAN

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