

CARLISLE
CITY COUNCIL



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Agenda item 16(P)

Public

Date of Meeting: 1 August 2002

Title: MEMBERS TELEPHONE ARRANGEMENTS

Report of: City Treasurer

Report reference: Financial Memo 2002/03 No 30

Summary:

This report updates the Corporate Resource Overview and Scrutiny Committee on the issues raised at their meeting of 13th June regarding members telephone arrangements.

Recommendations:

The Overview and Scrutiny Committee are asked to:

- (i) Determine whether the option detailed at paragraph 5.2, which has the support of the Independent remuneration Panel, is acceptable for recommendation to the Executive and full Council.
- (ii) Note that if any other option is preferred, then further work will need to be undertaken as highlighted in paragraph 4.
- (iii) If the options proposed are not acceptable determine whether consultation with individual members is now required, and if so, will a simple majority of Members choosing a particular option be sufficient to determine the agreed option for recommendation to Council.

Contact Officer: John Nutley/Angela Brown

Ext: 7250/7280

CITY OF CARLISLE

To: The Chairman and Members of the
Corporate Resources Overview & Scrutiny Committee
1 August 2002

Financial Memo
2002/03 No 30

MEMBERS TELEPHONE ARRANGEMENTS

1. Background

- 1.1 At the meeting of the Corporate Resources Overview and Scrutiny Committee on 13th June, Members considered Financial Memo No. 20, which recommended revised arrangements for the provision of telephones for Members.
- 1.2 Briefly, the current arrangement is that Members are expected to meet the cost of all their telephone usage from within their annual Basic Allowance. Within the Basic Allowance is a sum, currently £200, which is specifically designated towards telephone charges. Some members, particularly Featurenet users who pay a higher rental, and those Members who are liable to tax, are unhappy with the level of allowance recognised for telephone provision within the Basic Allowance.
- 1.3 The revised proposal recommended was that the Council should pay for a Featurenet line to be installed solely for Council Business, and pay for all calls on that line. The £200 current telephone provision within the Basic Allowance would be withdrawn. The additional cost to the Council was estimated at £5,200. It was also recommended that the Council did not operate a split scheme i.e. the new scheme would apply universally to all Members i.e. without permitting any Member to remain on the current scheme.
- 1.4 Members of the Overview and Scrutiny Committee did not agree the revised scheme and requested a further report to consider various issues and which are dealt with in turn below.

2 Member Proposals

- 2.1 Members requested that the following issues be considered. Comments have been included against each issue.
 - (i) To provide a telephone allowance, the sum to be determined, and Members be given authority to determine how they choose to use that telephone allowance in providing a telephone facility.
Comment:
This is basically an extension of the current scheme, although initial feedback from Members suggests that the amount recognised for telephone provision should be set at £300, rather than £200, which would cover an element for Council Business calls in addition to the rental. The additional cost of this would be £5,200 p.a.

The greater emphasis on this being a "Telephone Allowance" notwithstanding it being incorporated into the Basic Allowance, throws up a potential anomaly highlighted later in paragraph 4.1

- (ii) That the City Council pay for a Featurenet line to be installed solely for Council Business and pay for all calls on that line for all Members of the City Council.

Comment:

This is the solution previously referred to as set out in Financial Memo No. 20. The additional cost of this solution was estimated at £5,200 p.a. (subject to take-up of the scheme and the level of Council Business calls).

- (iii) That the City Council provide a second telephone line to be installed solely for Council business, the telephone service to be of the individual Member's own choosing.

Comment:

Officers consider that there are significant disadvantages to this option as follows:

- The Head of IT has already examined other BT subscription services such as BT Surftime and BT Together as a possible low cost alternative to Featurenet. However, these would not be suitable for Council use as the computer access relies on Members being dialled back and these services would not be available to large corporate accounts.
- It is considered that this solution would require a continual assessment of the market place for telephony (which changes rapidly), and Members individual needs to identify the most appropriate individual solutions. New member needs would also involve an annual workload.
- Issues would also arise regarding the cost of individual services chosen i.e. some Members will choose more expensive options and packages than others, and the legality of this may be challenged.
- In summary, this option would be difficult to service and administer and would impact on the workload of the IT Unit and the Payments Section. The potential additional cost of administration has not been calculated.

- (iv) That Members' be allowed to determine their own individual telephone service. Members in effect do not want a one size fits all universal telephone scheme for Members.

Comment:

The same comments apply as set out above in terms of the complexity of servicing and administering the different schemes.

3 Consultation

- 3.1 Members requested that a full consultation exercise be carried out with all Members of the City Council on the above proposals, but that the consultation be deferred until the Portfolio Holder for Policy and Performance has been given an opportunity to brief the three Group Leaders, and the Group Leaders have been able to raise the matter at a meeting of their own political groups.
- 3.2 The three Group Leaders have held informal meetings of their political groups and the option emerging as the most popular is a Member choice between Option (i) and (ii) above i.e.
- . Either
 - an increase from £200 to £300 in the amount recognised within the Basic Allowance for telephone provision, with Member choice as to how this is used in meeting telephone requirements,
 - OR
 - provision of a Featurenet line for Council Business only with the Council meeting all the costs. In this option Members would lose entitlement to the £200 allowance and the Basic Allowance would be reset to £3,500.
- 3.3 The cost of the above option is estimated at £5,200 p.a., which can be met from existing base budgets.

4 Other Issues

- 4.1 A further issue that has been raised during the consultation is need to avoid the potential for duplication of provision in respect of Members serving on both the City and County Council, or where more than one Councillor lives at the same address (e.g. husband and wife) and uses the same telephone facilities. The County Council pay a separate provision for telephone facilities for their members.
- 4.2 Under the present arrangements, some potential for duplication exists and should be avoided if possible. The current arrangement for City Councillors is that the Basic Member Allowance is £3,700, which specifically incorporates £200 "earmarked" for telephones. Members are entitled to claim the Basic Allowance as of right. The situation might become more complicated however, if Members opt to move to a system that takes the provision out of the Basic Allowance i.e. provision of a free Featurenet line. Advice has been sought on the issue, and further discussions would need to take place with the County Council and the District Auditor if this emerged as the preferred option. Regulations require a Local Authority to set the Basic Allowance at the same amount for every Councillor. It may be that individual Councillors who inadvertently find themselves being recompensed for a duplicated "telephone provision" should consider whether to renounce the appropriate element of the allowance in accordance with paragraph 13 of the approved scheme and so eliminate the amount of any duplication caused by their membership of another body, or because another Councillor is already in receipt of a provision within their household.

5 Conclusion

- 5.1 Although it has previously been recommended that the Council does not operate a split scheme, it is considered that the compromise set out in paragraph 3.2 could be accommodated administratively relatively easily. However, it is not clear whether there may be a legal challenge to operating a split scheme, because the regulations appear to require that all councillors are dealt with on the same basis, and further advice would need to be sought if this was the preferred option.
- 5.2 In addition, the issue of the potential to duplicate telephone allowances for certain members has once again complicated the issue. For that reason, it may be preferable to approve an increase in the Basic Allowance to (say) £3,800 (i.e. a £100 increase over existing rates), and to delete any reference to this including a specific amount for telephone provision. It would then be a matter entirely for members as to the choice of telephone facility but the cost, as at present, would be met by the member from the Basic Allowance.
- 5.3 This would also satisfy the fact that there will never be a single proposal that will suit every individual Member's telephone requirements – there is a danger that this issue may crop up annually as telephony provision changes, if the separate allowance is maintained.
- 5.4 The Independent Remuneration Panel Chairman has been consulted on this report. Telephone allowances are not within the statutory remit of the Panel, and therefore were originally considered by the Panel on a 'voluntary' arrangement. The Chairman is content that the issue is one for the Council to deal with in whichever way it sees fit, but would be supportive of the proposal outlined in the previous paragraph which is seen as the preferred option.

6 Recommendations

- 6.1 The Overview and Scrutiny Committee are asked to:
- (i) Determine whether the option detailed at paragraph 5.2, which has the support of the Independent Remuneration Panel, is acceptable for recommendation to the Executive and full Council.
 - (ii) Note that if any other option is preferred, then further work will need to be undertaken as highlighted in paragraph 4.
 - (iii) If the options proposed are not acceptable, determine whether consultation with individual members is now required, and if so, will a simple majority of Members choosing a particular option be sufficient to determine the agreed option for recommendation to Council.

Douglas Thomas
City Treasurer

AB/Members Telephones
10th July 2002

**EXCERPT FROM THE MINUTES OF THE
CORPORATE RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE
HELD ON 1 AUGUST 2002**

CROS.100/02 MEMBERS' TELEPHONE ARRANGEMENT

The City Treasurer reported (Financial Memo 2002/03 No 30) on the matters raised by Members at the last meeting of the Committee regarding Members' telephone arrangements. He reminded Members that under Minute CROS.74/02, consideration had been given to revised proposals for Members' Telephone Allowances and he reminded Members of the various proposals which had been submitted by Members which included the Council providing Members with a Featurenet line, the Council providing a second telephone line to be installed solely for Council business, Members being allowed to determine their own telephone arrangements.

The City Treasurer added that a further issue which had been raised during the consultation was the need to avoid the potential for duplication of provision in respect of Members serving on both the City and County Council or where more than one Councillor lived at the same address and used the same telephone facilities. He informed Members that under the present arrangements there was some potential for duplication in that the current arrangements for Councillors provided a Basic Members Allowance of £3,700 which incorporated a £200 allowance specifically designated for telephones. Members are entitled to claim the Basic Allowance as of right, however the situation might become more complicated if Members opted to move to a system that takes the telephone provision out of the Basic Allowance.

A Member in considering the Report expressed his dissatisfaction with the proposal to have a "one size fits all" solution and commented that there was no reason why different Members could not have different arrangements for their telephone provision. The Member further expressed his concern at comments made by the Portfolio Holder with regard to Telephone Allowances.

RESOLVED - (1) That the Executive and the full Council be recommended to approve an increase in the Members' Basic Allowance to £3,800 (ie a £100 increase over existing rates) and to delete any reference to it including a specific amount for telephone provision. In effect, it would then be a matter for Members to choose their telephone facility with the cost being met by Members from their basic allowance.

(2) That it be noted that the above proposal has the support of the Independent Remuneration Panel.