

Report to Member Remuneration Panel



**Epping Forest
District Council**

Date of meeting: 17 November 2015

Subject: Members' Allowances Scheme – Annual Review

Responsible Officer: S. Tautz (01992) 564180

Democratic Services Officer: S. Tautz (01992) 564180

Recommendations/Decisions Required:

The Panel is requested to consider the issues set out in this report and to agree the general matters to be subject of its recommendations to the Council in connection with the review of the Members' Allowances Scheme for 2016/17.

Report:

1. At its meeting on 30 September 2015, the Panel requested that officers investigate and report further in connection with a number of issues related to the review of the Council's Members' Allowances Scheme for 2016/17. These matters are addressed in the following sections of this report.
2. The current Members' Allowances Scheme is attached as Appendix 1 to this report.

Licensing Committee - Special Responsibility Allowance

3. The Council establishes a Licensing Committee for each municipal year, to exercise the policy functions of the authority in relation to a range of licensing, registration, permit and consent functions.
4. As the Panel will be aware, representations have been made by the Chairman of the Licensing Committee with regard to a possible increase in the level of Special Responsibility Allowance (SRA) applied to this position, to reflect the wider role and responsibilities of the Chairman of the Committee, in comparison with the chairmen of the Licensing Sub-Committees. However, the Members' Allowances Scheme does not currently provide for a SRA to be applied to the Chairman of the Licensing Committee. Some confusion has arisen in this respect, as a result of the fact that the Chairman of the Licensing Committee is also one of the appointed chairmen of the Licensing Sub-Committees, although the Members' Allowances Scheme does not preclude a member from the receipt of more than one specific SRA.
5. Unfortunately, with the retirement in 2014 of officers that previously handled the annual review of the Members' Allowances Scheme, it is unclear as to the reasons why the Scheme does not provide for SRA to be applied to the Chairman of the Licensing Committee, although it seems possible that such allowance may not previously have been considered. Further consideration of the issues raised by the Chairman of the Licensing Committee will clearly be dependent upon the formal introduction of an SRA for this position going forward, and the Panel is requested to consider this matter.

6. The Licensing Committee traditionally only meets twice in each municipal year and the Panel may wish to consider whether an SRA of £500.00 per annum might be appropriate in this regard, which would reflect the level of SRA for similar arrangements such as the Standards Committee that also meet on a limited basis each year. This approach would address the proposal of the Chairman of the Licensing Committee with regard to a possible increase in the level of SRA for this position, to reflect the wider role and responsibilities of the Chairman of the Committee, in comparison with the chairmen of the Licensing Sub-Committees. The additional SRA could also be contained within existing budget provision, if the views previously expressed by the Panel for a reduction in the SRA applied to the position of the Chairman of the Constitution Working Group are pursued.
7. The types of activity described by the Chairman of the Licensing Committee that are undertaken over and above the chairing of meetings of the Committee, have been compared with activities undertaken by the Chairmen of the Licensing Sub-Committees, through individual consultation with five of those chairmen (not with the Chairman of the Licensing Committee that is also one of the appointed chairmen of the Licensing Sub-Committees). The results of this analysis will be reported at the meeting.
8. The Chairmen of the Licensing Sub-Committees (again excluding the member who is also chairman of the Licensing Committee) have also been consulted in relation to the possibility of an increase in the in the level of SRA for the chairman of the Licensing Committee. The views of members in this respect will also be reported at the meeting. It is likely that any such views may be based on the (incorrect) assumption that the Chairmen of the Licensing Committee and Licensing Sub-Committees currently receive the same level of SRA.

Licensing Sub-Committees - Special Responsibility Allowance

9. For each municipal year, the Council establishes six Licensing Sub-Committees and appoints six members as chairmen of these sub-committees. The Sub-Committees deal with licensing matters under delegation from the Licensing Committee. The Members' Allowances Scheme currently provides for a total annual SRA of £2,362.00 to be divided equally between the six appointed chairmen of the sub-committees (£394.00pa).
10. As requested by the Panel, an analysis has been made of the frequency with which the six members appointed by the Council as chairmen of the Licensing Sub-Committees, have actually chaired meetings of the sub-committees over the last two-year period. The results of this exercise are attached as Appendix 2 to this report. Whilst these results suggest that meetings of the sub-committees are not necessarily chaired on an equal basis by the six appointed chairman, it should be borne in mind that many meetings of the sub-committees are held each year, often on an ad-hoc basis and with regard to tight timescales for the consideration of licensing matters. The chairmanship of particular meetings is often therefore dictated by the availability of members to attend meetings of a sub-committee.
11. The Panel may wish to consider whether the payment of SRA for the position of the chairmen of the Licensing Sub-Committees, should, in future, be made on a 'per-meeting basis' in line with similar arrangements pertaining to the position of the Chairman of the Housing Appeals and Review Panel and the Staff Appeals Panel (currently £110.00 per meeting). This approach would mean that variable budget provision would be required. For the last two full municipal years (2013/14 and 2014/15) the total SRA of £2,362.00 has been committed each year. If a 'per meeting' SRA approach were to be adopted, these total payments would have been £3,520.00 for 2013/14 (32 meetings) and £2,310.00 for 2014/15 (21 meetings). At the time of the preparation of this report, seven meetings of the sub-committees have been held during 2015/16, equating to SRA payments of £770.00 if made on a per-meeting basis.

12. The variable number of meetings of the Licensing Sub-Committees each year presents some difficulty for the accurate forecasting of the level of likely SRA payments if made on a 'per-meeting' basis. However, it is hoped that if this approach is recommended by the Panel, that any additional SRA could also be contained within existing budget provision if a reduction in the SRA for the Chairman of the Constitution Working Group is taken forward.

Members' Allowances Scheme

Benchmarking

13. Additional benchmarking has been undertaken in respect of the levels of Basic Allowance and SRA amongst other district local authorities in Essex, not forming part of the Council's 'family group' of comparable authorities. The results of this exercise are attached as Appendix 3 to this report, alongside the family group benchmarking results previously considered by the Panel.
14. It should be noted that the benchmarking of allowances such as SRA can be of limited value beyond the positions of Leader, Executive members and (generally) the chairmen of specific committees, given the differing decision-making structures adopted by individual local authorities. For this exercise, benchmarking was not undertaken with the two unitary authorities in Essex, as these are not considered to be directly comparable organisations for benchmarking purposes.

Pensionable Status

15. The Director of Governance has reviewed the accuracy of Section 13 (Pensionable Status) of the Member Remuneration Scheme, to ensure that this reflects the current legal position.
16. In December 2012, the Government announced its intention to remove access to the Local Government Pension Scheme (LGPS) for councillors in England. The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 subsequently removed access to the LGPS for councillors from 1 April 2014, with the exception of those who were members of the LGPS on 31 March 2014, who retain access to the LGPS up to the end of their current term of office only (or to age 75 if earlier). The wording of Section 13 of the Member Allowances Scheme will need to be revised to reflect the general removal of access to the LGPS for councillors.

Dependent Carers Allowance

17. The Director of Governance has also reviewed Section 6 (Child Care and Dependent Carers Allowance) of the Member Remuneration Scheme, to ensure that application of the allowance at a rate equivalent to the national Minimum Wage reflects current best practice.
18. Section 7 (1) of the Local Authorities (Members' Allowances) (England) Regulations 2003 indicates that a Members Allowances Scheme may provide for the payment to members of an authority of an allowance (Dependents' Carers' Allowance) in respect of such expenses of arranging for the care of their children or dependents as are necessarily incurred in undertaking approved duties. The Regulations do not prescribe any basis for the calculation of such allowance, although the results of the Basic Allowance and SRA benchmarking undertaken with other local authorities, suggests that most apply such allowance at the prevailing rate equivalent of the National Minimum Wage (currently £6.70 per hour).
19. Other approaches are however available for the calculation of Dependents' Carers' Allowance. The National Living Wage will be introduced between 2016 and 2020 and, for employees over 25 years of age, will commence at £7.20 per hour in April 2016.

The Council could also determine its own bespoke levels of such allowance. Until very recently, the Dependent Carers' Allowance had never actually been claimed by any member, although it is currently being paid to an independent member of the Audit and Governance Committee.

20. The Panel is requested to consider its recommended approach to the calculation of the Dependents' Carers' Allowance element of the Members' Allowances Scheme. No benchmarking has been carried out in relation to Dependents' Carers' Allowance, although this could be undertaken if the Panel wish to consider this matter in greater depth.

Audit and Governance Committee/Standards Committee - Combination

21. The Council's Chief Internal Auditor is currently developing proposals for the possible combination of the Audit and Governance Committee and the Standards Committee. Whilst this matter has yet to be formally considered by the Council, the introduction of a combined 'Audit and Standards Committee' from the 2016/17 municipal year will need to be reflected in the Members' Allowances Scheme in terms of an appropriate level of SRA for elected members, and the co-optees allowance for independent members.
22. This matter will need to be subject of a further report to a future meeting of the Panel.

Recommendations

23. The Panel is requested to consider the issues set out in this report and to agree the general matters to be subject of its recommendations to the Council in connection with the Members' Allowances Scheme for 2016/17. The Panel is reminded that, at its last meeting, it was agreed that:
 - (a) the Panel be minded to recommend to the Council once again that the payment of the full Basic Allowance amount should be implemented for all members as soon as possible, as it remains of the view that there is a danger of undervaluing the role of councillors, which could make it more difficult to attract potential candidates to stand for election in future; and
 - (b) the level of Special Responsibility Allowance applied to the position of the Chairman of the Constitution Working Group be reduced to £500.00 per annum with effect from the commencement of the 2016/17 municipal year, to reflect the completion of the review of the Council's constitution;
24. The Director of Governance will implement drafting changes to the Member Remuneration Scheme to reflect the current position in respect of pensionable status and the Council's current operational and management structure, prior to its consideration as Part of the annual report of the Panel to the Council.