

# **Report to Member Remuneration Panel**



**Epping Forest  
District Council**

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**Date of meeting: 28 September 2016**

**Subject:** Members' Allowances Scheme – Annual Review

**Responsible Officer:** S. Tautz (01992) 564180

**Democratic Services Officer:** S. Tautz (01992) 564180

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## **Recommendations/Decisions Required:**

- (1) That the Panel consider the issues set out in this report and agree the general matters to be subject of any recommendations to be made to the Council in connection with the review of its Members' Allowances Scheme for 2017/18; and**
- (2) That the Panel consider the appropriate level of Special Responsibility Allowance to be applied to the position of the Chairman of the Standards Committee from the commencement of the 2017/18 municipal year.**

## **Report:**

1. (Director of Governance) The annual review of the Council's Member Allowances Scheme commences in September each year, in order to ensure that any recommendations for revision to elements of the Scheme can be considered by the time that the authority's budget is approved for the following financial year (usually in February/March). The current Members' Allowances Scheme is attached as Appendix 1 to this report.

## **Members' Allowances Scheme**

2. At its meeting on 15 December 2016, the Council agreed that no change be made to the full amount of Basic Allowance of £4,300.00 per member per annum included in the Members' Allowances Scheme from the commencement of the 2016/17 municipal year, but that it implement 100% of the amount of Basic Allowance for each member with effect from 2016/17. This increase in the payment of Basic Allowance was in line with the recommendations of the Panel over a number of years and the overall budget for members' allowances has been increased to reflect the payment of the full amount of Basic Allowance. To date, one member has requested that their Basic Allowance remain at the (lower) level applied by the Council up to 2015/16.
3. To commence the review process for 2017/18, a general invitation has been extended to all elected and co-opted members on behalf of the Panel, to express any suggestions or concerns with regard to the current operation of the allowances scheme. Other than in relation to the Special Responsibility Allowance (SRA) applied to the Chairman of the Standards Committee, no representations have been received as a result of such invitation. The issues raised in connection with the Standards Committee are covered elsewhere in this report and the Democratic Services Manager will report to the meeting in connection with any other matters submitted for consideration by the Panel, subsequent to the publication of this agenda.

### **Chairman and Vice-Chairman of Council - Special Responsibility Allowance**

4. The Council also agreed at its meeting in December 2016 that, from 2016/17, consideration of the amount of SRA applied to the positions of the Chairman and Vice-Chairman of the Council be added to the responsibilities of the Remuneration Panel. The level of such SRA should therefore be considered as part of the Panel's review of the Members' Allowances Scheme for 2017/18 and subsequent years. A general invitation has been extended to the Chairman and Vice-Chairman of the Council and the officers that directly support their role and activities, to express any suggestions or concerns with regard to the current levels of SRA.
5. The Director of Governance will report to the Panel with regard to the background to the current level of SRA for the Chairman and Vice-Chairman of the Council, which was last reviewed by the Governance Select Committee on 1 December 2015. A copy of the report considered by the Select Committee is attached as Appendix 2 to this agenda and it is suggested that the Panel might wish to meet with the current Chairman and Vice-Chairman (and possibly the immediate past Chairman) at a future meeting, to discuss the current application of SRA in terms of the responsibilities of the Chairman and Vice-Chairman of the Council.

### **Housing Appeals and Review Panel - Special Responsibility Allowance**

6. The operation of the Housing Appeals and Review Panel was ceased with effect from the commencement of the 2016/17 municipal year. Payment of SRA for the position of the Chairmen of the Panel was made on a 'per-meeting basis' in line with similar arrangements pertaining to the position of the Chairman of the Staff Appeals Panel (currently £110.00 per meeting). The members' allowances budget has not been reduced to reflect the fairly minimal saving arising from the cessation of the operation of the Panel.

### **Standards Committee - Special Responsibility Allowance**

7. The Council establishes a Standards Committee for each municipal year, to promote and maintain ethical standards amongst its members and local councillors across the district. Although the Standards Committee is a committee of the authority, over one-third of its members are not elected councillors, and comprise members of town or parish councils and independent people that have been appointed to provide views on complaints made under the Council's Code of Conduct. The Members' Allowances Scheme currently provides for an SRA of £500.00 per annum to be applied to the position of the Chairman of the Standards Committee.
8. The Monitoring Officer and Deputy Monitoring Officer undertake the local assessment of complaints arising from the Code of Conduct, including making judgment on specific matters. Whilst the Monitoring Officer (and Deputy Monitoring Officer) works closely with the Standards Committee, reporting about Code of Conduct complaints, training and other related issues, the number of complaints required to be considered by the Committee is currently very low. An analysis has been made of the frequency of meetings of the Standards Committee as follows:

2012/13 - 3 meetings  
2013/14 - 2 meetings  
2014/15 - 1 meeting  
2015/16 - 3 meetings  
2016/17 - no meetings so far

9. As part of the review of the Council's Constitution during 2015/16, when consideration was being given to the possible combination of the Audit and Governance Committee and the Standards Committee, the Constitution Working Group identified that the Panel

might wish to consider current arrangements for the application of SRA for the position of the Chairmen of the (standalone) Standards Committee.

10. In adopting the new Constitution at its meeting on 26 April 2016, the Council agreed the Standards Committee be convened to meet only when there was business to be transacted, and that the Remuneration Panel be asked to consider the appropriate level of remuneration for the Chairman of the Standards Committee and report back to the Council in due course. The Panel may therefore wish to consider whether such SRA should, in future, be made on a 'per-meeting basis', which would be in line with similar arrangements pertaining to the position of the Chairman of the Staff Appeals Panel (£110.00 per meeting) and, formerly, the chairmen of both the Complaints Panel (which ceased operation during 2014/15) and the Housing Appeals and Review Panel (discontinued from 2016/17). Such approach would mean that, on the basis of the number of meetings in recent years, it would be likely that an underspend would arise on the SRA for the chairman of the Standards Committee.
11. The current chairman of the Standards Committee (Councillor G. Cambers) has submitted comments for consideration by the Panel in relation to the level of SRA currently applied to the position. These are set out at Appendix 3.
12. The variable number of meetings of the Standards Committee each year presents some difficulty for the accurate forecasting of the level of likely SRA payments if made on a 'per-meeting' basis. It is hoped that if this approach is recommended by the Panel, any additional SRA that might be necessary could be contained within existing budget provision as a result of the cessation of the SRA previously applied to the Chairman of the Housing Appeals and Review Panel, which tended to meet on a more frequent basis each year.

#### **Planning Site Visits – Approved Duties**

13. Within the Members' Allowances Scheme, informal site visits (i.e. those not arranged by officers or at the request of an Area Plans Sub-Committee) by individual councillors in respect of their duties as members of an Area Plans Sub-Committee, are specified as an approved duty for the purpose of the payment of travelling and subsistence expenses. For 2016/17, 57 (of 58) councillors are a member of an Area Plans Sub-Committee.
14. It is believed that the acceptance of informal site visits as approved duties may not be widely appreciated by members, as the number of claims received for travelling expenses arising from such visits is extremely small. In any event, the validation of such claims presents some difficulty for officers in terms of supporting evidence and these generally have to be taken on trust.
15. It appears that some local authorities specifically exclude informal site visits from their definition of approved duties. The Panel is requested to consider whether the Council's current approach in this regard should be maintained.

#### **Taxation and National Insurance Implications**

16. With effect from 6 April 2016, legislation introduced as part of the Finance Bill 2015 exempts the payment of councillors' travel expenses from a charge to income tax. This includes expenses paid for journeys between the councillor's home and most frequently used local authority office, except where the councillor's home is more than 20 miles from the boundary of the local authority area.
17. These revised taxation and national insurance implications will require the amendment of the relevant sections of the Members' Allowances Scheme. The Director of Governance will (in liaison with the Director of Resources) implement necessary drafting changes to the Scheme to reflect the current position in respect of the tax and

National Insurance implications arising from changes to the payment of councillors' travel expenses, prior to its consideration as part of the annual report of the Panel to the Council.

### **Members' Allowances Scheme - Benchmarking**

18. As a result of the implementation of the full amount of Basic Allowance from the commencement of the 2016/17 municipal year, no further benchmarking has been undertaken in respect of the comparable levels of Basic Allowance and SRA amongst other district local authorities. The results of the benchmarking exercise undertaken in September 2015 have been updated to reflect the increase in the level of Basic Allowance and are attached as Appendix 4 to this report for the information of the Panel.

### **Audit and Governance Committee/Standards Committee - Combination**

19. It was reported at the last meeting of the Panel that the Chief Internal Auditor was developing proposals for the possible combination of the Audit and Governance Committee and the Standards Committee. Although this matter was subsequently considered by the Council, the introduction of a combined 'Audit and Standards Committee' was not agreed and is not being progressed further at the present time.

### **Recommendations**

20. 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 2017/18.
21. It is intended that the report of the Panel be made to the Council at its meeting on 15 December 2016. The Panel is also therefore requested to agree which of its membership will present the report to the Council.