

Report to the Council

Date: 20 December 2018

Subject: Member Remuneration Panel - Annual Report

Member: Mr. S. Lye

RECOMMENDING:

Members' Allowances Scheme

Basic Allowance

- (1) That, for the 2019/20 municipal year, no change be made to the level of Basic Allowance of £4,300.00 per member per annum, currently included in the Council's Members' Allowances Scheme;**

Special Responsibility Allowance

- (2) That the award of Special Responsibility Allowance for the Chairman of the Staff Appeals Panel be removed from the Members' Allowances Scheme from the 2019/20 municipal year;**
- (3) That for the 2019/20 municipal year, no other changes be made to the application or implementation of the Special Responsibility Allowances currently included in the Members' Allowances Scheme;**
- (4) That the Council be encouraged to increase the implementation level of Special Responsibility Allowance applied to the responsibilities identified in the Members' Allowances Scheme, in order to achieve the full amount of each allowance as soon as possible;**

Revised Scheme and Guidance

- (5) That, subject to the above recommendations and other administrative matters set out in this report, the Members' Allowances Scheme and Guidance for 2019/20 attached as Appendix 1 to this report, be adopted and implemented with effect from 24 May 2019;**
- (6) That the Statement of Implementation of the Special Responsibility Allowances set out in the Members' Allowances Scheme for 2019/20, attached as Appendix 2 to this report, be agreed; and**
- (7) That the Panel be kept apprised of the Council's intentions with regard to any future restructure proposals that directly affect the application of Special Responsibility Allowance for the specific member roles and responsibilities currently reflected in the Members' Allowances Scheme.**

Report

1. The Remuneration Panel (the Panel) undertakes a review of Epping Forest District Council's Members' Allowances Scheme each year in order that any recommendations for revision to elements of the Scheme can be considered alongside the preparation of the Council's budget for the next financial year. This annual report of the Panel sets out the findings of our recent review of the Members' Allowances Scheme and our conclusions and recommendations with regard to the application of members' allowances for the 2019/20 municipal year.
2. The Remuneration Panel was established in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations, which arose from relevant provisions of the Local Government Act 2000, require all local authorities to set up and maintain an advisory independent Remuneration Panel to review and provide advice on members' allowances. All Councils are required to convene their Panel and seek its advice before making any changes or amendments to allowances schemes and must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
3. The Panel is required to gather information, to hear and consider evidence and to make recommendations to the Council on:
 - the amount of Basic Allowance to be paid to members;
 - those positions that should receive a Special Responsibility Allowance and the level of such allowance; and
 - travel, subsistence and certain other allowances.
4. The current members of the Remuneration Panel are Mrs. T. Finn, Mr. D. Jackman and Mr. S. Lye. This report will be presented to the Council by Stephen Lye on behalf of the Panel.

Members' Allowances Scheme

5. The last review of the Members' Allowances Scheme was undertaken by the Panel in late 2017 and our recommendations in regard to members' allowances for the 2018/19 municipal year were considered by the Council at its meeting on 21 December 2017. We have recently undertaken the annual review of the Scheme for 2019/20, in order that any proposals for changes to members' allowances can be considered by the Council as part of the budget-setting process for the next financial year.
6. As in previous years, we have been keen to understand the views of councillors in connection with the operation of the scheme in practice and specific matters that members would like the Panel to consider. As part of our current review, we requested the Service Director (Governance and Member Services) to invite councillors to raise issues or concerns about the current scheme that they wished us to consider. Such invitation was made through the Council Bulletin. A submission was made by Councillor R. Brookes, the issues from which we have considered as part of our review of the Members' Allowances Scheme.

Basic Allowance

7. All local authorities must make provision for a flat-rate allowance to be payable to all members. This 'Basic Allowance' is payable equally to all councillors and is designed to cover activities such as constituency casework, preparation for and attendance at meetings of the Council's committees etc. and service as a representative of the

authority on outside bodies for which no separate remuneration is made.

8. In considering the recommendations of the Panel in December 2017, the Council agreed that no change be made to the payment of the full amount of Basic Allowance of £4,300.00 per member per annum to be included in the Members' Allowances Scheme for 2018/19. An increase in the implementation rate of the Basic Allowance was introduced from 2016/17 in line with the recommendations of the Panel over a number of years, that the authority should implement 100% of the amount of Basic Allowance for each member, rather than the level of 80% previously applied.
9. The Panel does not consider it necessary to recommend any further changes to the application of Basic Allowance for 2019/20. However, we consider that it is appropriate for us to continue to revisit the application of Basic Allowance as part of our annual review of the Members' Allowances Scheme on an ongoing basis, although we recognise that implementation of any increase would be a matter for the Council to determine and that there remains a continued need for restraint in the setting of the authority's annual budget.
10. The Council is therefore asked to note that the Panel intends to undertake a comprehensive benchmarking exercise amongst comparable local authorities as part of its review of the Members' Allowances Scheme in 2019, to assess whether an inflationary increase in the level of Basic Allowance linked to recent local government pay awards, should be considered.

Special Responsibility Allowance

11. Each local authority may make provision in its Members' Allowances Scheme for the payment of Special Responsibility Allowance (SRA), for those Councillors who have been allocated significant responsibilities. The current Scheme provides that Members may receive more than one SRA if they hold more than one relevant position. As previously with the Basic Allowance, the Council has traditionally decided not to implement payment of full SRA amounts for a number of positions and to restrict these to a percentage of the amount set out in the Members' Allowances Scheme, which are calculated as multipliers of the Basic Allowance.
12. This percentage application of certain SRA is reflected in a Statement of Implementation that forms part of the Members' Allowances Scheme. The Statement of Implementation illustrates the operation of the Scheme in terms of the application of SRA as proportions of the amounts provided in the Scheme. However, we feel that this approach is not always fully understood and that members may not appreciate that the Council has decided not to implement payment of full SRA amounts recommended by the Panel, for certain positions.
13. We do not consider that it is necessary to make any changes to the SRA applied to various member positions for 2019/20, as we understand that there has been no change in such responsibilities since our review of the Members' Allowances Scheme for the current year. However, in formulating its budget for future years, we would encourage the Council to increase the implementation level of the relevant SRA identified in the Members' Allowances Scheme, in order to achieve the full amount of each allowance as soon as possible.
14. We understand that the Council will shortly be considering options for the review of the existing framework of its overview and scrutiny select committees. Any reduction in the number of select committees would have the effect of generating savings to the current budget provision for members' allowances and could present opportunities to

progress the application of the full level of SRA previously agreed by the Council. The Panel would therefore respectfully request that it be kept apprised of the Council's intentions with regard to any restructure proposals that directly affect the application of SRA for specific member roles and responsibilities reflected in the Members' Allowances Scheme.

15. We will continue to revisit the application of SRA as part of our annual review of the Members' Allowances Scheme, on an ongoing basis.

Group Leaders - Special Responsibility Allowance

16. The Panel has considered comments submitted for consideration by Councillor R. Brookes, in relation to the possible application of Special Responsibility Allowance (SRA) to the leaders of the constituted political groups on the Council, to recognise the time commitment required of Group Leaders. In support of her submission, Councillor Brookes suggested that Group Leaders have given a lot of extra time on panels and local plan workshops etc. over the last year and have rarely missed meetings.
17. We understand that Group Leader appointments are made by the constituted political groups and not by the Council and that Group Leaders have no formal role or responsibility within the authority. We have been advised that, whilst formal meetings of Group Leaders as a consultative body, were held during the period in which the Council had no overall political control, these are not currently held on a routine or programmed basis.
18. We have been advised that Group Leaders (and Deputy Group Leaders) are members of the Appointments Panel, which makes recommendations to the Council each year on nominations for appointment to committees etc. from the political groups and non-affiliated members. Such councillors can claim normal travelling expenses for attendance at meetings of the Panel, which are usually held on a maximum of two occasions in each municipal year.
19. We have previously considered similar proposals for the application of SRA to councillors attending a specified number of meetings. However, we continue to be of the view that this approach should not be pursued, in view of the difficulty involved in drawing up a workable scheme that could be monitored efficiently.
20. From benchmarking we have established that some local authorities award annual SRA to Group Leaders, including the leaders of majority political groups (thereby applying an even-hand) or just the leaders of minority political groups. However, such application of SRA is by no means universal across comparable authorities and we do not consider that this approach is appropriate at the present time, as no justification has been made to support the allocation of significant additional responsibility to Group leaders, by the Council. However, the Panel would be willing to give further consideration to this issue as part of its next review of the Members' Allowances Scheme, should it have misunderstood the role of Group Leaders or on the submission of additional evidence to highlight the role of Group Leaders in the formal operation of the business of the Council.

Staff Appeals Panel - Special Responsibility Allowance

21. We have been advised that, at its meeting in September 2018, the Council adopted a new Staff Appeals Procedure Policy that has resulted in the cessation of the operation of the Staff Appeals Panel.

22. The Members' Allowances Scheme currently provides for the award of Special Responsibility Allowance of £1110.00 to be made to the Chairman of the Staff Appeals Panel for any meeting held during each municipal year. As a result of the cessation of the operation of the Staff Appeals Panel, such SRA should be removed from the Members' Allowances Scheme from 2019/20.

Recommendations

23. The draft revised Members' Allowances Scheme for the 2019/20 municipal year, incorporating the recommendations contained within this report is attached as Appendix 1. The Scheme has been subject to minor drafting amendments, primarily to reflect the Council's new management structure arrangements.
24. The Panel has also prepared a Statement of Implementation (based on the assumption that the Council will not increase the Basic Allowance or the implementation of any Special Responsibility Allowance other than as reflected in this report) for publication on the Council's website. The format of the statement illustrates the operation of the Members' Allowances Scheme, in terms of the implementation of Special Responsibility Allowances as proportions of the amounts provided in the Scheme. The Statement of Implementation of the Special Responsibility Allowances set out in the Members' Allowances Scheme, is attached as Appendix 2 to this report.
25. We have not considered changes to any other elements of the Members' Allowances Scheme, such as travel and subsistence allowances etc. These are generally remunerated at levels that also apply to officers of the Council and are subject to national application.
26. The Panel would like to thank Councillor R. Brookes for her contribution to the review of the Members' Allowances Scheme for 2019/20. We would also like to acknowledge the support and assistance of the Service Director (Governance and Member Services) and the Democratic Services Manager that we received in undertaking our annual review of the Members' Allowances Scheme.
27. We recommend as set out at the commencement of this report.