

Report to the Council

Date: 25 February 2021

Report of: The Independent Remuneration Panel

Subject: Members' Allowances Scheme 2021/22

RECOMMENDING:

Members' Allowances Scheme

Basic Allowance

(1) That, for the 2021/22 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;

(2) That for 2022/23 and future municipal years, the Council be encouraged to increase the Basic Allowance to bring the Council up to the level of the Basic Allowance paid by other Councils;

Special Responsibility Allowance

(3) That for the 2021/22 municipal year, no changes be made to the application or implementation of the Special Responsibility Allowances currently included in the Members' Allowances Scheme;

(4) That for 2022/23 and future municipal years, 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;

Revised Scheme and Guidance

(5) That, subject to the above recommendations and other matters set out in this report, the Members' Allowances Scheme and Guidance for 2021/22, attached as Appendix 1 to this report, be adopted and implemented with effect from 25 May 2021;

(6) That the Statement of Implementation of the Special Responsibility Allowances set out in the Members' Allowances Scheme for 2021/22, attached as Appendix 2 to this report, be agreed; and

(7) That the Panel continue to be kept apprised of the Council's intentions regarding 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 regarding the application of members' allowances for the 2021/22 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 the autumn of 2019 and our recommendations regarding members' allowances for the 2020/21 municipal year were considered by the Council at its meeting on 17 December 2019. We have recently undertaken the annual review of the Scheme for 2021/22, 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 Team Manager for Democratic & Electoral Services to invite Councillors to raise issues or concerns about the current scheme that they wished us to consider.

7. Two representations were received from Members:

- (i) that no increases be made to the allowances within the Scheme; and
- (ii) that consideration be given to a Special Responsibility Allowance for Group Leaders, due to the amount of work it engenders; a suggestion of £200 per Group Member for the Leader of any Group with more than two Members.

Basic Allowance

8. 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.

9. In considering the recommendations of the Panel in December 2019, 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 2020/21. An increase in the implementation rate of the Basic Allowance was introduced from 2016/17 in line with the recommendations of the Panel over several years, that the authority should implement 100% of the amount of Basic Allowance for each member, rather than the level of 80% previously applied.

10. The Panel has undertaken a further comprehensive benchmarking exercise amongst twenty-five comparable and neighbouring local authorities as part of its review of the Members' Allowances Scheme, to assess whether an inflationary increase in the level of Basic Allowance should be considered. Although we have noted that the Council is currently almost the lowest of the comparator authorities in terms of Basic Allowance, the Panel do not consider it necessary to recommend any changes to the application of Basic Allowance for 2021/22. We acknowledged that there were a considerable number of local businesses and residents who were suffering in the current economic climate engendered by the pandemic, and that this was not the time to recommend increases in the basic allowance.

11. However, we are concerned that the work undertaken by members of this Council could be perceived as being of lower value than the work undertaken by members of other Councils. Therefore, we consider that it is appropriate for the Panel to continue to revisit the application of Basic Allowance as part of its annual review of the Members' Allowances Scheme on an ongoing basis, and we expect the Council to give serious consideration to an increase in the Basic Allowance when we report back next year. 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.

Special Responsibility Allowance

12. 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.

13. 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.

14. We do not consider that it is necessary to make any changes to the SRA applied to

the various Member positions for 2021/22, 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.

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.

Chairman and Vice-Chairman of the Council

16. The Council agreed in December 2015 that, from the 2016/17 municipal year, 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 Panel.

17. We undertook a thorough review of the application of such SRA in 2018 and therefore make no recommendations in this regard for consideration as part of the Panel's review of the Members' Allowances Scheme for 2021/22. However, the Panel reserve the right to review this SRA in the future as we noted that the allowance paid by this Council is higher than that paid by other comparable Councils.

Group Leaders

18. A suggestion about the current operation of the Members' Allowances Scheme was received from a Member for consideration by the Panel. This being that Group Leaders should receive a SRA in recognition of the additional duties that they perform, the suggestion being that they should receive an allowance of £200 per Group Member for those Groups with more than two members.

19. We have considered this in the past in 2018 and noted that a number of Councils do operate such an allowance for their Group Leaders. However, we felt that this was not a Council requirement in the same manner as the other SRAs as the Group Leaders were appointed by the constituted political groups – not the Council – and had no formal role or responsibility within the authority. And whilst we were advised that there had been a number of additional Group Leaders meetings in respect of the Covid-19 pandemic, we felt that there should not be a SRA instigated for Group Leaders at the current time.

20. The Panel would be willing to give further consideration to this issue, as part of future reviews of the Members' Allowances Scheme, on the submission of additional evidence to highlight the role of Group Leaders in the formal operation of the business of the Council.

Councillor Members of the Qualis Board

21. The Panel had been asked to consider the payment of an allowance to the two Councillors who had been appointed to the Qualis board as representatives of the Council. The Cabinet agreed at its meeting in September 2020 that two members of the Qualis Board should be members of the Council. and felt that the Council members nominated to the Board would need to be remunerated in accordance with the recommendation of the independent Members' Remuneration Panel, to reflect their elected status. As an interim measure, a Special Responsibility Allowance equivalent to that of a Cabinet Member has been paid by Qualis in recognition of the additional time and responsibility associated with this role.

22. We had some reservations about this request, particularly as Qualis is a private company – albeit wholly owned by the Council – and the Board meetings of Qualis are held

in private with little public visibility. Therefore, there was little evidence available of the work involved with these roles, which we did not necessarily consider to be 'Council business'. We also noted that Qualis had its own Remuneration Committee. Consequently, we felt that no recommendations should be made at the current time by the Panel, and that this issue should initially be considered, determined and paid for by Qualis.

23. However, the Panel might be willing to re-consider this issue, as part of future reviews of the Members' Allowances Scheme, at the request of the Qualis Board and on the submission by them of sufficient evidence to highlight the role of the Councillor members on the Qualis Board and their part in the formal operation of the business of the Council.

Recommendations

24. The draft revised Members' Allowances Scheme for the 2021/22 municipal year, incorporating the recommendations contained within this report is attached as Appendix 1. The Scheme has been subject to minor drafting amendments, to reflect the Council's current management structure arrangements.

25. 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) 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 at Appendix 2 to this report.

26. 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.

27. The Panel would like to acknowledge the support and assistance that we received in undertaking our annual review of the Members' Allowances Scheme, and we recommend as set out at the commencement of this report.