

# ***Report to the Council***

***Date: 13 December 2022***

**Report of: The Independent Remuneration Panel**

**Subject: Members' Allowances Scheme 2023/24**

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## **RECOMMENDING:**

### **Members' Allowances Scheme**

#### **Basic Allowance**

(1) That, for the 2023/24 municipal year, no change be made to the level of Basic Allowance of £4,300 per member per annum, currently included in the Council's Members' Allowances Scheme;

(2) That for 2024/25 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 2023/24 municipal year, no changes be made to the level of the Special Responsibility Allowances currently included in the Members' Allowances Scheme;

(4) That for the 2023/24 municipal year, the implementation level of Special Responsibility Allowance applied to the responsibilities identified in the Members' Allowances Scheme be retained at their current level;

#### **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 2023/24, attached at Appendix 2 to this report, be adopted and implemented with effect from 25 May 2023; and

(6) That the Panel continue to be kept apprised of the Council's intentions regarding any future restructure or governance review proposals arising from the electoral review of the Council being undertaken by the Local Government Boundary Commission for England 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 2023/24 municipal year.

2. The Remuneration Panel was established in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations, which arose from the 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 on 2 February 2022 and our recommendations regarding members' allowances for the 2022/23 municipal year were considered by the Council at its meeting on 24 February 2022. We have recently undertaken the annual review of the Scheme for 2023/24, 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. However, there were no representations received from Members.

### 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 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 February 2022, the Council agreed that no change be made to the payment of the full amount of Basic Allowance of £4,300 per member per annum to be included in the Members' Allowances Scheme for 2022/23. 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.

9. 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. Included at Appendix 1 of the report is the comparator tables that we used to assess recent increases in inflation and earnings since the current level of Basic Allowance was set in 2016. Although we have noted that the Council is currently the lowest of the comparator authorities and the second lowest in Essex in terms of Basic Allowance, and serious consideration was given to proposing an increase in the Basic Allowance of 2-3% to account for inflation, the Panel do not consider it necessary to recommend any changes to the application of Basic Allowance for 2023/24.

10. We acknowledged that there were a considerable number of local businesses and residents who were suffering in the current economic climate engendered by the rise in living costs, and that this was not the time to recommend increases in the basic allowance. In addition, we also noted that there was no request for an increase from Councillors.

11. However, we are still 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. This has been a concern of the Panel for a number of years now. 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.

12. We are aware that the Council is currently the subject of an electoral review undertaken by the Local Government Boundary Commission for England (LGBCE), and the Panel feel that this represents an opportunity to undertake a full review of the Basic Allowance once this process is complete. We would 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

13. Each local authority may make provision in its Members' Allowances Scheme for the payment of Special Responsibility Allowances (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. It should be noted that each Special Responsibility Allowance is calculated as a multiplier of the Basic Allowance, therefore if the Basic Allowance is not increased then neither will be the Special Responsibility Allowances. However, 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.

14. 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.

15. Last year, we decided that as the majority of the SRA's had not been implemented at 100%, the recommendation of the Panel would be to increase the implementation levels of all the SRA's to 100% in 2022/23. However, this was not agreed by the Council and the implementation levels remained at their current level.

16. It should be noted that the Panel has encouraged 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 for a number of years now. However, the Panel feel that there is an opportunity to fully review the SRAs and their implementation levels next year when the electoral review process has been completed. Again, we recognise that the implementation of any future increases 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, but we will continue to revisit the application of SRA's as part of our annual review of the Members' Allowances Scheme.

#### Chairman and Vice-Chairman of the Council

19. 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.

20. 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 2023/24. 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.

#### Recommendations

21. The draft revised Members' Allowances Scheme for the 2023/24 municipal year, incorporating the recommendations contained within this report is attached at Appendix 2. The Scheme has been subject to minor drafting amendments, to reflect the Council's current management structure arrangements.

22. The Panel has also prepared a Statement of Implementation (based on the assumption that the Council will not increase the Basic Allowance nor the level of implementation of Special Responsibility Allowances) 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 3 to this report.

23. 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.

24. 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.