

Report to the Council

Date: 17 December 2019

Report of: Remuneration Panel

Subject: Members' Allowances Scheme 2020-21

RECOMMENDING:

Members' Allowances Scheme

Basic Allowance

- (1) That, for the 2020/21 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 for the 2020/21 municipal year, no changes be made to the application or implementation of the Special Responsibility Allowances currently included in the Members' Allowances Scheme;
- (3) That for 2021/22 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

- (4) That the addition of the chairman of the appropriate committee as an additional level of approval for the determination of approved duties for the reimbursement of subsistence expenses in relation to member attendance at conferences etc., be agreed;
- (5) That, subject to the above recommendations and other administrative matters set out in this report, the Members' Allowances Scheme and Guidance for 2020/21 attached as Appendix 1 to this report, be adopted and implemented with effect from 25 May 2020;
- (6) That the Statement of Implementation of the Special Responsibility Allowances set out in the Members' Allowances Scheme for 2020/21, attached as Appendix 2 to this report, be agreed; and
- (7) That the Panel continue 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 2020/21 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 2018 and our recommendations in regard to members' allowances for the 2019/20 municipal year were considered by the Council at its meeting on 20 December 2018. We have recently undertaken the annual review of the Scheme for 2020/21, 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 Democratic Services Manager 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 in September 2019, although no representations arising from such invitation were 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 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 2018, 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 2019/20. 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 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 2020/21.
10. However, 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, 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

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 2020/21, 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 continued to keep under review its existing framework of executive, overview and scrutiny and regulatory committees. Any reduction in the number of such decision-making bodies 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.

15. We have been advised that, with effect from the commencement of the current municipal year, the Council adopted a structure of three new overview and scrutiny select committees. The Panel would therefore request that it continue to 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.
16. 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

17. 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.
18. 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 2020/21.

Administrative Matters

19. Although no suggestions or concerns about the current operation of the Members' Allowances Scheme were received from members for consideration by the Panel, we were advised of a specific issue encountered with regard to the operation of the Scheme this year, in connection with the reimbursement of subsistence expenses incurred by members in the course of attendance at conferences etc.
20. The Members' Allowances Scheme currently provides (Paragraph 6.1) for the reimbursement of subsistence expenses in relation to member attendance at conferences etc., subject to the prior approval of the conference etc. as an 'approved duty' by the Council, the Cabinet, an appropriate committee, or the Leader or Deputy Leader of the Council in all cases. In a recent situation concerning the potential attendance at a conference event by a co-opted member of the Audit and Governance Committee, we understand that it was unfortunately not possible to secure confirmation of the members' attendance as an approved duty in accordance with the requirements of the Members' Allowances Scheme and the opportunity for attendance at the conference event was unfortunately lost.
21. As, in such circumstances, it is not always possible (due to the scheduling of meetings) to secure confirmation of an approved duty from the Council, the Cabinet, or the appropriate committee, we consider that it would be sensible for the determination of an event as an approved duty to also be able to be made by the chairman of the appropriate committee. Whilst such approach can be made to the Leader or Deputy Leader of the Council, we believe that this can be a somewhat onerous alternative and suggest that the addition of the chairman of the appropriate committee as an additional level of approval for the determination of conference-related approved duties would be sensible for the effective management of relevant business activity.

Recommendations

22. The draft revised Members' Allowances Scheme for the 2020/21 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.

23. 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 as Appendix 2 to this report.
24. 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.
25. The Panel would like to acknowledge the support and assistance of the Democratic Services Manager that we received in undertaking our annual review of the Members' Allowances Scheme.
26. We recommend as set out at the commencement of this report.