

Report to the Council

Date: 21 December 2017

Subject: Member Remuneration Panel - Annual Report

Member: Mr. S. Lye

RECOMMENDING:

Members' Allowances Scheme

Basic Allowance

- (1) That, for the 2018/19 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 2018/19 municipal year, no change be made to the application or implementation of the Special Responsibility Allowances currently included in the Members' Allowances Scheme;**
- (3) 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;**

Chairman and Vice-Chairman of Council

- (4) That from the 2018/19 municipal year, the annual total Special Responsibility Allowance for the positions of the Chairman and Vice-Chairman of the Council be £10,750.00, to be applied as follows:**
 - Chairman of the Council - £8,600.00 per annum (80%); and**
 - Vice-Chairman of the Council - £2,150.00 per annum (20%);**
- (5) That from the 2018/19 municipal year, the application of Special Responsibility Allowance for the Chairman and Vice-Chairman of the Council be included within the Members' Allowances Scheme;**

Independent Members

- (6) That, with effect from the commencement of the 2018/19 municipal year, the level of the annual allowance applied to the position of independent members of the Standards Committee, be increased to £500.00 per annum;**

Revised Scheme and Guidance

- (7) That, subject to the above recommendations and other administrative matters set out in this report, the Members' Allowances Scheme and Guidance for 2018/19 attached as Appendix 1 to this report, be adopted and implemented with effect from 25 May 2018; and**
- (8) That the Statement of Implementation of the Special Responsibility Allowances set out in the Members' Allowances Scheme, attached as Appendix 2 to this report, be agreed.**

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 2018/19 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 Mr. D. Jackman, Ms. R. Kelly 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 previous review of the Members' Allowances Scheme was undertaken by the Panel in 2016 and our recommendations in regard to members' allowances for the 2017/18 municipal year were considered by the Council at its meeting on 20 December 2016. We have recently undertaken the annual review of the Scheme for 2018/19, 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 Director of Governance to include an article in the Council Bulletin inviting councillors to raise issues or concerns about the current scheme that they wished us to consider. A submission was made by Councillor G. Chambers, 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 2016, 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 2017/18. 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 2018/19. 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.

Special Responsibility Allowance

10. 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 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.
11. We do not consider that it is necessary to make any changes to the Special Responsibility Allowances applied to various member positions for 2018/19, as we understand that there has been no change in such responsibilities since our review of the Members' Allowances Scheme for the current year.
12. However, in formulating its budget for future years, we would encourage the Council to increase the implementation level of the relevant Special Responsibility Allowances identified in the Members' Allowances Scheme, in order to achieve the full amount of each allowance as soon as possible;
13. We will continue to revisit the application of SRA as part of our annual review of the Members' Allowances Scheme, on an ongoing basis.

Independent Members - Annual Allowance

14. The Council makes provision in its Members' Allowances Scheme for the payment of

an annual allowance to independent members of the following Committees and Panels etc.:

- Standards Committee - £250.00;
 - Audit and Governance Committee - £500.00; and
 - Remuneration Panel £250.00.
15. The Panel has considered comments submitted for consideration by Councillor Chambers (as Chairman of the Standards Committee), in relation to the level of allowance currently applied to independent members of the Standards Committee. Councillor Chambers has proposed that this be brought into line with the allowance presently applied to independent members of the Audit and Governance Committee.
 16. We recognise that the independent persons appointed by the Council have an important role in advising the Standards Committee on standards matters and for working with the Monitoring Officer to determine whether complaints received about Members should be investigated. The Panel is sympathetic to the proposal made by Councillor Chambers and we recommend that, with effect from the commencement of the 2018/19 municipal year, the level of the annual allowance applied to the position of independent members of the Standards Committee, be increased to £500.00 per annum.
 17. There are currently two appointed independent members of the Standards Committee and the net effect of our proposals would therefore result in an increase of £500.00 per annum in the current budget for members' allowances. We have been advised that the Monitoring Officer would be supportive of this proposed increase.
 18. Whilst Councillor Chambers has also proposed that the annual allowance applied to members of the Remuneration Panel also be increased to £500.00 per annum, we do not consider that this is justified at the present time.

Special Responsibility Allowance – Vice-Chairmen of Committees

19. We have also considered a proposal of Councillor Chambers, that SRA be applied to the position of vice-chairmen of committees etc., to reflect the occasional need for such members to chair meetings in the absence of the appointed chairman. Councillor Chambers has suggested that this additional SRA be applied as an additional annual allowance or be 'deducted' from the SRA for the relevant chairman, when the vice-chairman is required to chair a meeting.
20. Although we recognise that it will often be necessary for a vice-chairman to chair a specific meeting, the Panel believes that SRA should continue to only be paid to councillors that hold the special responsibilities identified in the Members' Allowances Scheme, as the allowance is designed to reflect the additional responsibilities of those office holders and is not intended to be calculated or applied on a 'per-meeting' basis.
21. As the application of an additional SRA to the vice-chairmen of committees etc. would have implications for the Council's budget for members' allowances for 2018/19 and future years, we do not consider that this approach is justified at the present time.

Special Responsibility Allowance - Area Plans Sub-Committees

22. We have also considered a suggestion of Councillor Chambers that the SRA currently applied to the position of the chairmen of the Area Plans Sub-Committees should be reviewed, as meetings of the Sub-Committees can be lengthy and difficult to chair.

23. Whilst we appreciate that meetings of the three Area Plans Sub-Committees are held monthly during each municipal year and that, from recent experience, it has been necessary to bring forward the start time of some meetings to ensure the efficient transaction of business, we believe that SRA should continue to only reflect the additional responsibilities of specific office holders, rather than the frequency, duration or relative complexity of meetings.
24. We are conscious that any increase in the application of SRA for the chairmen of the Area Plans Sub-Committees would need to be consistent with other similar positions, such as the chairmen of the District Development Management Committee and the Overview and Scrutiny Committee and would have implications for the Council's budget for members' allowances for 2018/19 and future years, we do not therefore consider that this approach is justified at the present time.

Travelling and Subsistence

25. Councillor Chambers has also suggested that the process for claiming reimbursement of travel costs incurred on the Council's business should be reviewed, as he considers this to be a time consuming process and that use of 'contactless' methods of payment on the London Underground may not provide evidence of travel and encourage the use of public transport. Councillor Chambers has additionally suggested that the current system for the payment of travel costs be replaced with a one-off annual average travel allowance linked to actual attendance at meetings, which would generate savings in officer time for the administration of claims.
26. Whilst the Council's administrative processes for the reimbursement of travel costs incurred by members are outside the scope of our responsibilities, we are satisfied that the use of 'contactless' methods of payment on the London Underground can provide evidence of travel that satisfy the Council's requirements for the validation of claims, when debit/credit cards and 'Oyster' cards are registered for use on services provided by Transport for London (TfL). We understand that such arrangements are already applied to travel claims submitted by officers of the Council.
27. We believe the introduction of an annual average travel allowance linked to actual attendance at meetings would vary according to the number of approved duties attended by each member and that such arrangement would require additional time on the part of officers to process the payment of claims, payment for which would need to be made at year-end, rather than on a quarterly basis.
28. Although we do not therefore consider that this approach is justified at the present time, we have requested the Director of Governance to include an article in the Council Bulletin outlining the validation requirements for travel claims, particularly with regard to the use of TfL services.

Chairman and Vice-Chairman of Council - Special Responsibility Allowance

29. As part of our review of the Members' Allowances Scheme for 2016/17, the Council agreed that consideration of the level of annual of SRA applied to the positions of the Chairman and Vice-Chairman of the Council be added to the responsibilities of the Panel. The current level of SRA for the Chairman and Vice-Chairman was last reviewed by the Governance Select Committee in December 2015.
30. During the last year, we have met with the current Chairman and Vice-Chairman of the Council and several serving past-Chairmen, to discuss the current application of SRA in terms of the responsibilities of the Chairman and Vice-Chairman. In considering the

best approach to the application of SRA for the Chairman and Vice-Chairman of the Council, we have sought to 'rank' the relative importance of these positions, in comparison with positions such as the Leader of the Council, Portfolio Holders and the chairmen of Committees and Panels etc. Our discussions with the current Chairman, Vice-Chairman and serving past-Chairman, have suggested that the duties of the Chairman of the Council are much more time consuming than such other positions, particularly as these are undertaken in addition to the Chairman's 'normal' member constituency role and casework activities.

31. The current levels of annual SRA applied to the positions of Chairman and Vice-Chairman of the Council are as follows:
 - Chairman of Council - £7,760.00; and
 - Vice-Chairman of Council - £3,040.00.
32. Our discussions with the current Chairman, Vice-Chairman and serving past-Chairman, have also supported a view that the responsibilities of the Chairman of the Council broadly equate to those of the Leader of the Council, specifically in terms of the importance of the Chairman's civic and ceremonial role and position as the First Citizen of the District. Those members that have provided us with personal experience with regard to the role and responsibilities of the Chairman and the current application of SRA, generally regard the roles of Chairman and Leader of the Council as having similar levels of responsibility, albeit across significantly different roles.
33. We have been advised by some serving past-Chairman that, in their experience, the current application of SRA has not always adequately met expenses incurred in undertaking duties as Chairman of the Council. We are concerned that some Chairmen of the Council may therefore have incurred personal financial expenditure for which they were not recompensed by the authority (although we recognise that such recompense may not have been sought).
34. The annual SRA for the position of the Leader of the Council is £10,750.00, although this is currently applied at £7,875.00 per annum (73%). We therefore consider that, from the 2018/19 municipal year, the annual SRA applied to the positions of Chairman and Vice-Chairman of the Council should be £10,750.00 in total. We propose that this amount should be redistributed and implemented on the basis of an 80:20 split, with the Chairman of the Council receiving £8,600.00 per annum and the Vice-Chairman receiving £2,150.00 per annum.
35. Our proposals mean that the annual SRA for the Chairman of the Council would increase by £840.00 and the SRA for the Vice-Chairman would reduce by £890.00. However, in the normal course of events whereby a member accedes to the position of Chairman of the Council after a year in office as Vice-Chairman, the total SRA applied to the postholder for the two-year period of their civic appointment, would therefore match that applied annually to the position of Leader of the Council.
36. The net effect of our proposal would result in an overall reduction of £50.00 in the current total allowance for the Chairman and Vice-Chairman of the Council. We understand that the current Chairmen of Council and the Leader of the Council are both supportive of this proposed approach.

Travelling and Subsistence

37. The Director of Governance has advised the Panel that, over the course of the last year, a travel claim has been made by one member of the Council does not drive and

that their spouse usually drives them to and from the Civic Offices to attend meetings or for other approved duties etc.

38. There is currently no specific provision within the Members' Allowances Scheme that covers this issue and the Scheme doesn't state that a member has to have driven themselves to a meeting or other duty in order for a claim to be considered valid. We endorse the pragmatic approach that has therefore been taken to the reimbursement of mileage claims from the member concerned and these have been honoured, particularly as any claim for taxi travel would be likely to be at a greater cost to the Council.
39. To ensure consistency in the consideration of claims however, we recommend that the following addition be made to Section 5 (Travelling and Subsistence) of the Members' Allowances Scheme, to be numbered paragraph 5.4:

'Claims for the payment of business and/or home to office mileage may be made by members that have been driven to the approved duty giving rise to the claim, other than by way of taxi or other form of public transport, subject to the Council's usual checks and controls and the provision of appropriate VAT receipts'.

Recommendations

40. The draft revised Members' Allowances Scheme for the 2018/19 municipal year, incorporating the recommendations contained within this report is attached as Appendix 1.
41. 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, as we feel that this approach is not always fully understood or entirely transparent. The Statement of Implementation of the Special Responsibility Allowances set out in the Members' Allowances Scheme, is attached as Appendix 2 to this report.
42. 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.
43. The Panel would like to thank Councillor G. Chambers for his contribution to the review of the Members' Allowances Scheme for 2018/19. We are also grateful for the contributions made by Chairman and Vice-Chairman of the Council and serving past Chairman, who were able to contribute first-hand experience with regard to the application of SRA, to enable us to gain a better understanding of the roles and responsibilities of the positions of Chairman and Vice-Chairman.
44. We would like to acknowledge the support and assistance of the Assistant Director (Governance) and the Democratic Services Manager that we received in undertaking our annual review of the Members' Allowances Scheme.
45. We recommend as set out at the commencement of this report.