

ANNUAL MEETING OF THE COUNCIL

26 APRIL 2016

REPORT OF MANAGEMENT AND MEMBERS' SUPPORT MANAGER

A.1 Annual Review of the Scheme of Members' Allowances by the Independent Remuneration Panel (IRP)

(Report prepared by Karen Neath)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To agree a Scheme of Members' Allowances for 2016/17.

EXECUTIVE SUMMARY

Scheme of Members' Allowances 2015/16

- The Independent Remuneration Panel has undertaken a review to propose recommendations to the Council for the Scheme of Allowances to apply with effect from 1st May 2016. The IRP's report is attached at Appendix A to this report.
- The IRP's recommendations have been advertised in the local press in accordance with the Regulations.
- Council must now have regard to the recommendations of the IRP in determining a Scheme of Allowances for 2016/17. The Council may depart from the IRP recommendations provided it can demonstrate good reasons for doing so, having taken all relevant matters into account.
- Council last agreed a Scheme of Allowances at Council on 24th November 2015 with effect from 1st November 2015.
- The latest review proposes reduced allowances for the Chairmen of the Licensing and Registration Sub Committees. Otherwise it is proposed that Basic and Special Responsibility Allowances remain unchanged. However, it is also proposed that the minimum group size for which an Opposition Group Leader will be eligible to receive an allowance is four.

RECOMMENDATION(S)

It is recommended to Council that:-

- (a) the allowances recommended by the IRP, as set out in its report to the Council (Appendix A) be approved;**
- (b) in the event that Council adopts alternative allowances to those recommended in the IRP's report, reasons for the variations be given and minuted;**
- (c) the IRP undertakes a further review in 2017/18 and makes recommendations to Annual Council in April 2017.**
- (d) subject to a) and b) above, the Scheme of Members' Allowances in Part 7 of the Constitution be amended to reflect the agreed allowances and expenses and minimum group size for Opposition Group Leader allowance.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The adoption of a published Scheme of Members' Allowances, having regard to the recommendations of an Independent Remuneration Panel, is consistent with the Council's core values of integrity and openness.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The budget for 2016/17 for Members' Basic and Special Responsibility Allowances and for the Chairman and Vice Chairman Allowances totals £462,990. The cost of the proposed scheme is within budget as shown in Appendix B based on the current council, committee structure and group membership. However, members should be aware that this could change.

Risk

The crucial feature of the Panel is that it is composed of people unconnected with the local authority. This degree of independence is designed to secure that the Council is directly accountable to the electorate in respect of the payments made to the Members and that the risk of any lack of transparency is mitigated.

LEGAL

The Local Authorities (Members' Allowances) (England) Regulations 2003 set out the arrangements to be followed in relation to Members' allowances and expenses. The Regulations set out that regard must be had to the recommendations of an IRP before determining or amending the Scheme of Allowances. Consideration of this report and its appendix will enable the Council to meet those statutory requirements.

The Local Government Act 1972 (sections 3 and 5) allows the payment of an allowance to the Chairman and Vice Chairman.

OTHER IMPLICATIONS

Members' Responsibility For Reporting Receipt of Allowances

Members are advised to declare the receipt of a members allowance if **any form** of benefit such as income support or housing benefit is being claimed. The rules on how members' allowances are treated may vary depending on the benefit claimed and advice should be sought from the relevant administering body. For example the rules for those in receipt of Housing Benefit and Council Tax Support state that "basic members allowance, special responsibility allowance and conference attendance allowance are treated as earnings except for any expenses which have been wholly, exclusively and necessarily incurred in the performance of their duties". Members are therefore advised that in order to claim expenses in these circumstances receipts and records to justify the expenses incurred must be kept.

Wards Affected

All.

PART 3 – SUPPORTING INFORMATION

BACKGROUND PAPERS FOR THE DECISION

There are no background papers.

APPENDICES

Appendix A – Report of the Independent Remuneration Panel
Appendix B – Financial Summary

Tendring
District Council



INDEPENDENT REMUNERATION PANEL

REPORT TO

TENDRING DISTRICT COUNCIL

May 2016

Recommendations on the Level of Members'

Allowances to Be Paid in the Municipal Year 2016/2017

1. INTRODUCTION

i. Legislation

The requirement for an Independent Remuneration Panel (IRP), how it operates, and regulations governing the payment of Members' Allowances are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003.

Part 4 regulation 19(1) states that "*Before an authority.....makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel*"

ii. Independent Remuneration Panel

At Council on 25th November 2014 the following were appointed to the Independent Remuneration Panel:-

- ▽ **Clarissa Gosling (Chair)** – Farmer's wife with extensive experience of serving as an Independent member / chair on many public sectors board and committees including Ipswich Borough Council Standards Committee, Suffolk Family Health Service Authority, NHS Independent Review Panels, Panel of Misconduct Hearing Eastern Region Police Authority and Orwell Housing Association.
- ▽ **John Wolton** –Worked in the building industry from 1948 as an apprentice and from 1957 onwards in the Clacton area as a plumber and heating engineer. He formed his own company in 1962, and worked on Frinton Homelands estate and Great Clacton Estates. He has served on a number of community groups in Tendring.
- ▽ **Reverend Doctor William Lock** – Career was in railway station management including auditing, finance and dealing with complaints. He was Treasurer and Trustee of the Albert Edwards Hall Committee. He was previously Chair of the local residents association and served on Guildford Town Council.

iii. Existing Scheme

The existing scheme was agreed at the meeting of Full Council on 24 November 2015.

iv. The Council and Committee Structure

The structure of the Council and the roles of its members currently in place are:-

- **Full Council** consisting of 60 elected Members with the following Groups – Conservative (23 Members), UKIP (13 Members), Independent (6 Members), Coastal Independents (5 Members), Labour (4 Members), Holland Residents Association (3 Members), Leave EU (2 Members). 3 Members are not in a political group. There is one vacancy.
- **A Cabinet** of 10 Members including the Leader of the Council. It has responsibility for Community Leadership in Tendring and takes a lead on the preparation of policies and strategies and recommends and implements the budget;
- **Overview and Scrutiny** functions are provided by 3 committees: Community Leadership and Partnerships, comprising of 11 members and Service Development and Delivery and Corporate Management comprising of 8 members, each committee having separate and defined responsibilities;

- **Audit Committee** comprising 5 members whose duties include provision of independent assurance on the adequacy of the risk management framework, independent scrutiny of the Council's financial and non-financial performance and overseeing the financial reporting process;
- **Standards Committee** that consists of 7 members whose role is to promote and maintain high standards of conduct by Members and Co-opted members of the authority. It operates a Town and Parish Council' Standards Sub Committee;
- **Planning Committee** comprising 11 members. This committee meets monthly to handle the significant volume of planning applications that officers cannot determine under delegated authority;
- **Regulatory Committee** had 14 members. It discharged a range of regulatory functions for which the Council is responsible, including health and safety enforcement, pollution control, statutory nuisance and licensing. At the Full Council meeting on 24th March 2015 it was agreed to delete this committee and transfer its responsibilities to the Licensing Committee (subsequently renamed the Licensing and Registration Committee);
- **Local Plan Committee** has 15 members and oversees the preparation of the Local Plan;
- **Licensing and Registration Committee** that undertakes the quasi-judicial determination of personal licensing matters including Hackney Carriage, Private Hire, Public Entertainment, Liquor and Gaming licences. At the Full Council meeting on 24th March 2015 it was agreed to transfer the responsibilities of the Regulatory Committee to the Licensing Committee (subsequently renamed the Licensing and Registration Committee). It has 15 members and operates 4 specific licensing sub-committees;
- **Human Resources Committee** that deals with general staffing matters. It has 14 members.
- **Council Tax Committee** has 5 members and meets once a year to agree the overall council tax for the District.

v. **Review 2016**

The Panel recognises the dedication and public spirit of all Councillors and their enthusiasm for the work they do and their determination that public service should come above personal gain. The first review of Members' Allowances under the current regulations, undertaken in 2001, established the principle that an important part of being a Councillor is the desire to serve the public and, therefore, not all of what a Councillor does should be remunerated; a portion of a Councillor's time should be given voluntarily. It is therefore the case that the members' Allowances Scheme has, since then, included a 40% Public Service Discount.

The Panel undertook a detailed review of Members' Allowances in 2015 with the current scheme being in place since November 2015. The Panel have considered whether they wish to recommend any changes to the Scheme for 2016. In doing this they have been mindful of the financial position of the Council and have considered whether there are any significant changes in the workload of Councillors from 2015.

The Panel have consulted with all Members' on their proposed Scheme for 2016 and considered the responses in putting forward their final recommendations. The Panel is very grateful for the comments various councillors have sent on the draft report and have discussed them fully. In the light of these discussions, their recommendations are set out below for the council to discuss and come to their decision.

The Panel's recommendations will be considered at the Annual Council meeting on 26 April 2016, to commence from 1 May 2016, the start of the 2016/17 Municipal Year.

2. RECOMMENDATIONS

The Panel make the following recommendations in respect of Members basic allowance, special responsibility allowances (SRAs) and expenses.

i. Chairman and Vice Chairman Allowances

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman's allowance - £6,266

Vice Chairman's allowance - £2,209

ii. Basic Allowance

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Basic allowance - £5,122

iii. Leader of the Council SRA

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Leader of the Council - £18,438

iv. Cabinet Members SRA

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Cabinet Member - £8,669

v. Chairman of Audit Committee SRA

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman of Audit Committee - £4,300

vi. Chairman of Community Leadership and Partnership Committee

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman of Community Leadership and Partnership Committee - £4,300

vii. Chairman of Service Development and Delivery Committee

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman of Service Development and Delivery Committee - £4,300

viii. Chairman of Corporate Management Committee

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman of Corporate Management Committee - £4,300

ix. Chairman of Human Resources Committee

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman of Human Resources Committee - £3,800

x. Chairman of Education and Skills Committee

Following the merger of the Education and Skills Committee with the Community, Leadership and Partnerships Committee, this allowance has been removed.

xi. Chairman of Licensing and Registration Committee

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman of Licensing and Registration Committee - £4,300

xii. Chairman of Planning Committee SRA

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Chairman of Planning Committee - £6,268

xiii. Vice Chairman of Planning Committee SRA

No change proposed, giving a recommended amount payable from 1 May 2016 of:-

Vice Chairman of Planning Committee - £2,029

xiv. Member of Planning Committee

No change proposed, giving a recommended amount payable from 1 May 2016 of :-

Member of Planning Committee - £500

xv. Chairman of Licensing and Registration Sub Committees

The Panel have reconsidered the work of the Licensing and Registration Sub Committees and are aware that 3 of the Sub Committees met only once during 2015 with the other meeting twice. This compares to 2014 when 3 of the Sub Committees met 3 times during the year and the other met once. The Panel have therefore undertaken an assessment of the reduction in workload for the Chairs of the 4 Licensing and Registration Sub Committees and are, accordingly, proposing a reduction in Special Responsibility Allowance for the Chairmen with a recommended amount payable from 1 May 2016 of:-

Chairman of Licensing and Registration Sub Committee A - £650

Chairman of Licensing and Registration Sub Committee B - £650

Chairman of Licensing and Registration Sub Committee C - £650

Chairman of Licensing and Registration Sub Committee General - £650

xvi. Opposition Group Leader(s)

Having carefully considered this matter the Panel recommends that the minimum number of members of an opposition group for which group leader allowance will be payable should be four. They are not proposing any change to the amounts that eligible group leaders would receive which would remain, from 1st May 2016, as:-

Amount for being a Group Leader £1,000
For each Member of the Group £90

xvii. Childcare Allowance

The Panel recommends **a rate of the voluntary living wage (currently £ 8.25 per hour) for a maximum of 15 hours per week.**

xviii. Dependent Carer Allowance

The Panel recommends **a rate of the voluntary living wage (currently £ 8.25 per hour) for a maximum of 15 hours per week.**

xix. Conference Allowance

The Panel **recommends that the existing rate should continue to be paid.**

xx. Maximum Subsistence Allowances

The Panel **recommends that the existing rates should continue to be paid.**

xxi. Mileage Allowance

The Panel **recommends continuation of the HMRC non-profit rate.**

3. REVIEW OF ALLOWANCES FOR 2017/2018

The Panel strongly recommends a further review of allowances be undertaken in respect of the municipal year 2017/2018.

SUMMARY OF PROPOSED ALLOWANCES 2016/17

Allowances	£
Basic Allowance	5,122
Leader of the Council	18,438
Cabinet Member	8,669
Opposition Group Leaders (for groups of 4 or more)	
– Amount for being a Group Leader	1,000
- Amount per Group Member	90
Chairman – Planning Committee	6,268
Vice Chairman – Planning Committee	2,029
Members – Planning Committee	500
Chairman – Licensing and Registration Committee	4,300
Chairmen – Licensing and Registration Sub Committees	650
Chairman - Audit Committee	4,300
Chairman - Community ,Leadership and Partnership Committee	4,300
Chairman - Service Development and Delivery Committee	4,300
Chairman – Corporate Management Committee	4,300
Chairman - Human Resources Committee	3,800
Chairman of the Council	6,266
Vice Chairman of the Council	2,209
Expenses	
Childcare allowance	Voluntary Living Wage (currently £8.25) per hour
Dependent Carer allowance	Voluntary Living Wage (currently £8.25) per hour
Conferences – outside London	£120 maximum per day
Conferences – within London	£140 maximum per day
Use of a motor car – first 10,000 miles	HMRC rate (currently 0.45p per mile)
Use of a motor car – over 10,000 miles	HMRC rate (currently 0.25p per mile)
Use of a motor cycle	HMRC rate (currently 0.24p per mile)
Use of a bicycle	HMRC rate (currently 0.20p per mile)
Subsistence – breakfast	£6.00
Subsistence – lunch	£7.50
Subsistence - dinner	£12.00

Appendix B

MEMBERS ALLOWANCES 2016/17 - FINANCIAL IMPLICATIONS OF IRP RECOMMENDATIONS

Allowance	2016/17		
	Amount £	No.	Total £
Leader	18,438	1	18,438
Portfolio Holder	8,669	9	78,021
Group Leader (Labour)	1,360	1	1,360
Group Leader (Independent)	1,540	1	1,540
Group Leader (UKIP)	2,170	1	2,170
Group Leader (Coastal Independents)	1,450	1	1,450
Chair Planning	6,268	1	6,268
Vice Chair Planning	2,029	1	2,029
Planning Committee Members	500	9	4,500
Chair Licensing and Registration	4,300	1	4,300
Chair Audit	4,300	1	4,300
Chair Corporate Management	4,300	1	4,300
Chair Community, Leadership and Partnerships	4,300	1	4,300
Chair Service Development and Delivery	4,300	1	4,300
Chair Human Resources	3,800	1	3,800
Chair Licensing sub A	650	1	650
Chair Licensing sub B	650	1	650
Chair Licensing sub C	650	1	650
Chair Licensing sub General	650	1	650
Chairman	6,266	1	6,266
Vice Chairman	2,209	1	2,209
TOTAL			152,151
Actual to be Paid as Members are only entitled to one SRA			
Group Leader (Ind)			-1,540
Group Leader (Coast Ind)			-1,450
Members of Planning Committee			-1,500
Chair Licensing sub A			-650
Chair Licensing sub B			-650
Chair Licensing sub C			-650
			145,711
Basic	5,122	60	307,320
TOTAL			453,031
BUDGET			462,990
Difference			-9,959