

INDEPENDENT REMUNERATION PANEL

REPORT TO

TENDRING DISTRICT COUNCIL

May 2020

**Review of, and Recommendations on, the
Scheme of Allowances to be paid to District
Councillors in the Municipal Year 2020/2021**

INDEX

	Page
1. INTRODUCTION	
i. Legislation	2
ii. Independent Remuneration Panel	2
2. ROLES AND RESPONSIBILITIES AT COUNCILLORS AT TENDRING DISTRICT COUNCIL AND ITS SCHEME OF ALLOWANCES	
i. The Council and Committee Structure	4
ii. The Existing Scheme	5
3. THE REVIEW OF BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES IN 2020	7
4. RECOMMENDATIONS	
i. Scheme of Allowances for Municipal Year 2020/21	11
ii. Scheme of Allowances for 2021/2022 and 2022/23	12
5. SUMMARY OF PROPOSED ALLOWANCES 2020/2021	13

1. INTRODUCTION

i. Legislation

The Local Authorities (Members' Allowances) (England) Regulations 2003 ('the 2003 Regulations') sets out the legal framework for allowances and expenses to Councillors. It provides for a Basic Allowance that is paid at the same level to all Councillors on the Council concerned and for allowances to be paid for those who have special responsibilities (special responsibility allowances). Other allowances, including dependants' carers', travelling and subsistence and co-optees are provided for in the Regulations.

The 2003 Regulations require that a scheme is to be determined normally before the relevant financial year has commenced (Regulation 10(1)). However, schemes can be amended at any time. The Regulations also permit a scheme to be adjusted by reference to an index specified by the authority and the indexed changes do not require a fresh determination at that time.

Regulation 19(1) of the 2003 Regulations 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*" (IRP).

Regulation 20 states that an IRP *shall consist of at least three members none of whom—*
(a) is also a Councillor on an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or
(b) is disqualified(1) from being or becoming a Councillor.

Regulation 21 requires the appointed IRP to produce a report making recommendations on the matters referred to above that are to be included in a scheme of allowances for Councillors. A copy of a report is then sent to the Council and it must make the report available for public inspection and publish the main features of the recommendations.

The Local Government Act 1972 (sections 3 and 5 respectively) allows the payment of an allowance to the Chairman and Vice Chairman of a Council. As such these are separate legal provisions to those that apply to basic, special responsibility etc allowances under the 2003 Regulations. However, nevertheless, the Council does seek the views of the IRP on these allowances.

ii. Independent Remuneration Panel

At Council on 27th November 2018 the following were appointed to the Independent Remuneration Panel for Tendring District Council. The individuals also serve as Independent Persons within the Standards Regime of the Council.

▽ Jane Watts (Chair)

She has worked in education for 30 years; within independent, mainstream and special education schools. Her last post was as head of mathematics and data analysis at a teaching school in Surrey. Presently, she is a self-employed educational consultant involved with projects for both schools and the Autism Education Trust. Previously, she has also been a parent governor and secretary of a school fundraising committee.

▽ **Sue Gallone**

A qualified accountant and auditor who worked in the public sector for most of her career to 2016. She sits on conduct committees; the General Osteopathic Council and the Association of Chartered Certified Accountants. She is also a Board member for Breast Cancer Now and the Health and Care Professions Council, and is an independent member of the Audit and Risk Assurance Committee at the Office of the Immigration Services Commissioner. Since moving to Clacton in 2003 she has been involved with local organisations and charities on a voluntary basis

▽ **David Irvine**

A retired agronomist (specialist arable crops advisor) of UNILEVER, he has, over the best part of 40 years, been respected in his industry to become an examiner for the professional standards organisation (BASIS), training and maintaining the agronomic standards of new entrants. He is active within the Anglican church becoming a Lay Elder and a Bishops Officer and Churchwarden of a church in Bury St Edmunds, where he lives. He has established a community project that assists struggling start-up businesses with cheap office accommodation. He has a keen interest in public life.

▽ **Clarissa Gosling**

She has served as an independent Member, Conciliator, Chair, and Adviser; dealing with complaints, service quality and discrimination for the last 25 years for various public bodies- NHS, Police, and the Office for National Statistics. As a Non-Executive Director of Suffolk Health NHS Trust, she sat on the Audit and Service committees among others, and until recently served as a Board Member on the Orwell Housing Association. She was also an independent chair of the Standards Committee of Ipswich Borough Council and is an Associate Member of the Ombudsman's Society.

2. ROLES AND RESPONSIBILITIES AT COUNCILLORS AT TENDRING DISTRICT COUNCIL AND ITS SCHEME OF ALLOWANCES

i. The Council and Committee Structure

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

- **Full Council** consisting of all 48 elected Councillors. Up until the local elections held on 2 May 2019, the Council consisted of 60 elected Councillors. Following an Electoral review by the Local Government Boundary Commission for England the number of Councillors elected on 2 May was 48 with the number of wards in the district being reduced from 35 to 32. Full Council is responsible for the approval of the Council's budget and policy framework and maintenance of the Council's Constitution. Full Council appoints the Leader and the Chairman and Vice-Chairman of the Council.
- **A Cabinet** consisting of the Leader of the Council and up to nine Portfolio Holders. The Cabinet is responsible for most of the Council's functions, known as Executive Functions. These are normally allocated to individual Members of the Cabinet, as determined by the Leader and Cabinet Members are thereby known as Portfolio Holders. The Cabinet has responsibility for Community Leadership in Tendring and takes a lead on the preparation of policies and strategies and recommends and implements the budget approved by Full Council;
- **Overview and Scrutiny** functions are provided through two committees: Community Leadership Overview and Scrutiny Committee and Resources and Services Overview and Scrutiny Committee. Both comprise of nine Councillors and each committee has separate and defined responsibilities. For overlapping issues they may/do appoint Joint Panels;
- **Audit Committee** comprising seven Councillors 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 seven Councillors whose role is to promote and maintain high standards of conduct by Councillors and Co-optees of the authority. The Independent Persons (who also comprise the IRP) also attend and participate in the meetings of the Standards Committee. The Committee operates a Town and Parish Council' Standards Sub Committee;
- **Planning Committee** comprising nine members. This committee meets monthly to handle the significant volume of planning applications that officers cannot determine under delegated authority;
- **Planning Policy and Local Plan Committee** has eleven members and oversees the preparation of the Local Plan and the setting of planning policy (otherwise not reserved to the Cabinet/Council);
- **Licensing and Registration Committee** - the remit of this Committee means that it serves as the Licensing Committee required under the Licensing Act 2003. The Committee is responsible for overseeing licensing matters including Hackney Carriage Drivers and Vehicles, Private Hire Drivers, Vehicles and Operators, Public Entertainment, Late Night Refreshment, Alcohol (on and off sales) and Gambling

licences, permits etc. It has nine Councillors and operates two licensing sub-committees to conduct hearings in respect of the licensing areas;

- **Human Resources and Council Tax Committee** that deals with general staffing matters and agrees annually the overall council tax for the District (that reflects all precepts from Fire, Police and County and Parish Councils. It has 9 members.

ii. Existing Scheme

In 2019/20, the scheme for allowances for Councillors was adopted at the meeting of Council on 28 May 2019 (i.e. following the elections to the District Council earlier that month). Minute 13 of the Minutes of that meeting refer. The Council specifically requested the IRP to undertake a high level and light touch review of the approved scheme of allowances after three months. The IRP undertook this requested review in September 2019 (and submitted its report in October 2019). The views of Group Leaders as requested and provided to the IRP were considered by it; as was a proposal for introducing an allowance for the Vice-Chairman of the Planning Committee. The recommendations submitted by the IRP to the Council were:

- “(1) That, in respect for the proposal for the re-introduction of a Vice-Chairman’s Allowance in respect of the Planning Committee, Council approve either:*
- (a) Retention of the current position:*
 - a. Chairman of Planning Committee - £6,600*
 - b. All other Members of Planning Committee (including the Vice-Chairman) - £900*
 - (b) Adjust the allowances in respect of Planning Committee to the following:*
 - a. Chairman of Planning Committee - £6000,*
 - b. Vice-Chairman of Planning Committee - £1500,*
 - c. All other Members of the Planning Committee - £900.*
- (2) To make no other change to the scheme of Allowances recommended to, and adopted by, Tendring District Council at its meeting on 28 May 2019.”*

The Independent Remuneration Panel also invited submissions for the full review of the Scheme of Allowances for Councillors now undertaken (and which this report relates to) and specifically on the issues of Group Leader Allowances and the default position of one Special Responsibility Allowance being claimable by an individual Councillor.

Due to the arrangements for meetings, Council did not consider the above IRP report until 21 January 2020. At that meeting of the Council approved the following:

- “(a) the report of the Independent Remuneration Panel, following that Panel’s high level and light touch review of the current Scheme of Allowances for Councillors [...] be received and noted;*
- (b) having had regard to the recommendations of the Independent Remuneration Panel and for the reasons submitted by Group Leaders in October 2019, the Council resolves to amend the Scheme of Allowances for 2019/20 as follows:*
- a. that the Basic Allowance for all Members be adjusted to £6,000;*
 - b. that all Group Leaders, as defined by the Local Government (Committees and Political Groups) Regulations 1990, be entitled to receive the Group Leaders’ allowance and that reference to ‘Opposition’ is removed;*
 - c. that no restrictions be placed on the number of Special Responsibility Allowances (SRA) that can be received; and*
 - d. that the Vice-Chairman of the Planning Committee be entitled to receive a SRA of £1,500.*

- (c) *these amendments to the Scheme will apply with effect from the beginning of this Municipal Year; and*
- (d) *the implementation of the proposed amendments will remain subject to identifying the necessary funding of £0.041m, which will be considered as part of the Financial Performance Report for Quarter 3 2019/20.*

The required decision in respect of funding of the cost of the amended allowances scheme was taken by the Council's Cabinet on 21 February 2020 (Minute 120 refers). As such, the scheme of allowances for Councillors for 2019/20 is therefore as amended on 21 January 2020 and referenced above. The full allowances for 2019/20 is set out at Appendix A.

3. THE REVIEW OF BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES IN 2020

As referred to in the section above on the existing scheme of allowances for Councillors, the Panel undertook a high level light-touch review of the Scheme in September 2019, inviting and considering comments. The Panel proposed an option to provide the Vice-Chairman of Planning Committee with an allowance and reserved further consideration of more significant changes for the 2020 review. Council considered the Panel's light-touch review recommendations on 21 January and voted for alternative proposals which amended the Scheme and backdated the changes to 1 May 2019. The Panel notes the alternative Scheme agreed by Council, which did not accord with the Panel's view that the Scheme was still valid and should remain largely unchanged at that point.

In their light-touch review, the Panel promised to consider again in the 2020 review the allowances for Group Leaders and whether more than one Special Responsibility Allowance should be paid to any one Councillor. The Panel has also considered carefully in this 2020 review the comments received from Councillors on their roles and allowances. The Panel is grateful to Councillors for submitting their views, noting that these are wide ranging and that views on key issues are often opposing. Councillors made some interesting points which are outside the remit of the Panel and the Panel urges officials to consider these.

The Panel recognises the dedication and public spirit of Councillors, their enthusiasm for the work they do and their determination that public service comes before personal gain. The first review of Allowances for Councillors 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 Allowances Scheme for Councillors has, since then, included a 40% Public Service Discount. Several Councillors' comments re-iterated that allowances should not be expected to reflect the time expended on duties and that there is a public service element. The Panel agrees.

The Panel have considered whether they wish to recommend any changes from their recommendations in 2019 to the Scheme for 2020 and their proposals are set out below.

In May 2019 Tendring District Council accepted the 2019/20 scheme recommended by the IRP. The basic allowance was increased by 7.5% to £5556, in recognition of an increase in the workload caused by the reduction in the number of councillors.

In conducting this annual review of members' allowances, the IRP has considered the submissions made by members and also reflected on the amended scheme adopted by councillors on 21 January 2020.

The IRP understands that many councillors believe their basic allowance to be lower than neighbouring councils'. The panel compared the May 2019 basic allowance with that of 14 other councils. (This included all 12 councils covered by Essex CC and three in Suffolk). The basic allowance for TDC (£5,556) is the 5th highest of the 15 and is significantly above both the median (£5,000) and mean (£5,015) values. The IRP believes that this level of remuneration is still fair, subject to an inflationary increase, particularly given the current economic climate.

The detail of the comparison with other Councils is set out in the following table.

Rank	Council	Basic Allowance (rounded to nearest £)
1	Colchester	6976
2	Tendring (21 January 2020 scheme)	6000
3	Brentwood	5950
4	Chelmsford	5874
5	Basildon	5782
-	Tendring (28 May 2019 scheme)	5556
6	Uttlesford	5151
7	Rochford	5000
8	Mid Suffolk	5000
9	Maldon	4959
10	Babergh	4917
11	Braintree	4827
12	Harlow	4270
13	Ipswich	4007
14	Castle Point	3550
15	Epping	3400

The IRP agree that all Group Leaders should receive a special responsibility allowance and have introduced a new Group Leader SRA from 1 May 2020. This is calculated by multiplying the number of members in the group by £200.

The Panel recommends that members be eligible for a maximum of two SRAs, allowing group leaders to hold a second post of responsibility.

We recognise that there are times when the Chair of Planning is unable to officiate at planning meetings and that on these occasions the Vice Chair deputises. The panel agrees that a SRA is appropriate for this role but that the SRA for Chair of Planning Committee should be reduced by the same amount to facilitate this. No other reasons for an SRA for the Vice Chair of Planning Committee were submitted to the Panel.

As in 2019, the proposed SRA for Cabinet Members is set assuming seven Cabinet Members (excluding the Leader). If more Cabinet Members are appointed (i.e. eight or nine Cabinet Members), the total proposed SRA for seven Cabinet Members should be divided between them. By way of a worked example to illustrate this, if the SRA for seven Cabinet Members (excluding the Leader) was £9,072 the overall cost per year would be £63,504. Accordingly, if there were eight Cabinet Members the allowance for each Cabinet Member would be £7,938 and £7,056 each if there were nine Cabinet Members.

In considering Dependants' Carers' costs to enable Councillors to attend formal meetings and other approved duties, the IRP has considered the benchmark of the 'Real Living Wage' as this is independently assessed and determined by the Living Wage Foundation. Dependants' Carers' allowance is claimable to re-imburse costs incurred in providing care for children of the Councillor as well as the costs of other dependants of the Councillor.

The IRP recommend that the prevailing HMRC subsistence rates (and qualifying conditions) continue to be adopted by Tendring District Council for its Councillors. The current rates and conditions are as follows (and apply to authorised conferences/events/meetings/visits only):- Rates are set as follows.

Minimum journey time

Maximum amount of meal allowance

Minimum journey time	Maximum amount of meal allowance
5 hours	£5
10 hours	£10
15 hours (and ongoing at 8pm)	£25

Where a scale rate of £5 or £10 is paid and the qualifying journey in respect of which it is paid lasts beyond 8pm a supplementary rate of £10 can be paid to cover the additional expenses necessarily incurred as a result of working late.

A meal is defined as a combination of food and drink and would take a normal dictionary meaning. Where employees are required to start early or finish late on a regular basis, the over 5 hour and 10 hour rate, whichever is applicable, can be paid provided that all the other qualifying conditions are satisfied.

Qualifying conditions - Benchmark scale rates must only be used where all the qualifying conditions are met. The qualifying conditions are:

- the travel must be in the performance of a members' duties or to a temporary place of work, on a journey that is not substantially ordinary commuting.
- the member should be absent from his normal place of work or home for a continuous period in excess of five hours or ten hours.
- the member should have incurred a cost on a meal (food and drink) after starting the journey and retained appropriate evidence of their expenditure.

A Member can only be reimbursed for a meal once. If the cost of an evening meal or breakfast is reimbursed on an actual basis, because it is included in the cost of an overnight stay, the member would not also be entitled to a benchmark rate in respect of those meals.

The current approved HMRC mileage rates are set out below. They are set by HMRC at a level it considers does not include an element that is taxable. In view of this it is considered appropriate to use the prevailing rate for payments in recompense of costs incurred by Councillors in travel to attend formal meetings and for approved official business of the Council.

Vehicle	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Passenger payments - cars and vans - 5p per passenger per business mile for carrying another Councillor/officer in a car or van on journeys which are also official business journeys for them.

As a note, the reference to a Municipal Year is a reference to that period between the Annual

Meeting of the Council in any two calendar years. As such it usually spans across two financial years. The recommendations are therefore on the basis that the scheme should apply to that period between the two Annual Meetings and thereby the relevant parts of the two financial years.

4. RECOMMENDATIONS

i. Scheme of Allowances for Municipal Year 2020/21

The Panel recommend that allowances be set as proposed and as originally approved by the Council in May 2019 (as opposed to those subsequently approved in January 2020), with the following changes:

- **Chairman of Planning Committee SRA**

Reduce the May 2019 allowance by £600 to provide for an allowance for the Vice Chairman, recognising that there are occasions when the Chairman cannot legally officiate and the Vice Chairman takes the chairing role

- **Vice Chairman of Planning Committee SRA**

Provide an allowance of £600, plus the Member of Planning Committee allowance, recognising the role of Vice Chairman, giving a recommended amount payable of £1500 [at May 2019 rates]

- **Inflationary increase**

Uplift the recommended allowances (except those linked to HMRC/Living Wage Foundation levels), by the same percentage as the headline pay award percentage increases approved by the National Joint Council for local government services.

- **SRAs**

Individual SRA amounts as set out in the summary below.

Allow any Member to claim a maximum of two SRAs for the roles they undertake, recognising the workload of a special responsibility in addition to that of Group Leader

- **Group Leader**

Recognise the responsibilities and workloads of every Group Leader and pay a new allowance to all Group leaders based solely on the number of members in their group. This would ensure the relative sizes of groups is reflected and the overall amount of allowance paid remains constant regardless of how many groups there are. It is recommended that the allowance payable to all Group Leaders from 1 May 2020 should be calculated at £200 for each member in the group.

- **Dependants' Carers' Allowance**

This allowance is to re-imburse costs incurred for care arranged by the Councillor for a dependant (including care for the Councillor's children) to enable the Councillor to attend formal meetings of the Council or other approved official events.

The Panel recommends that this is set at the prevailing rate as adopted by the Living Wage Foundation as its 'Real Living Wage' for outside of London. Currently, the 'Real Living Wage' rate is £9.30 per hour (in 2018/19 this was £9.00 per hour) for a maximum of 15 hours per week.

- **Subsistence**

The Panel recommends the prevailing HMRC subsistence rates (and qualifying conditions) continue to be adopted by Tendring District Council for its Councillors. The current rates and conditions are as set out above (and apply to authorised conferences/events/meetings/visits only).

- **Mileage Allowance**

The Panel recommends that the prevailing approved HMRC mileage rates (regarded as not including an element that should be taxed).

ii. Scheme of Allowances for 2021/2022 and 2022/23

The Panel recommends that the Scheme proposed for 2020/21 should remain in place until the next scheduled elections of District Councillors for Tendring (until May 2023). In that period it should be adjusted by reference to the headline pay award percentage increase approved by the National Joint Council for local government services.

5. SUMMARY OF PROPOSED ALLOWANCES 2020/2021

Allowances	£*
Basic Allowance	5,556
Leader of the Council	18,900
Cabinet Member (where there are eight or nine Cabinet Members the total allowances for seven Cabinet Members to be divided between them)	9,072
Group Leaders - Amount per Group Member (Groups being defined as per Regulation 8 of the Local Government (Committees and Political Groups) Regulations 1990 – i.e. they have a minimum of two Members)	200
Chairman – Planning Committee	6,000
Vice Chairman - Planning Committee	1,500
Members – Planning Committee	900
Chairman – Licensing and Registration Committee	2,784
Chairman – Miscellaneous Licensing Sub Committees	720
Members of Licensing and Registration Committees	276
Chairman - Audit Committee	3,900
Chairman – Community Leadership Overview and Scrutiny Committee	3,900
Chairman – Resources and Services Overview and Scrutiny Committee	3,900
Chairman – Human Resources and Council Tax Committee	2,784
Chairman – Planning Policy and Local Plan Committee	2,784
Chairman of the Council	6,348
Vice Chairman of the Council	1,788
Dependants' Carers' allowance (to attend formal meetings/ approved official events) (including care of a Councillor's children)	<i>Real Living Wage</i> (currently £9.30) per hour

*Uplifted by the same percentage as the headline pay award percentage increases approved by the National Joint Council for local government services. Any Member to claim a maximum of two SRAs for the roles they undertake.

Subsistence (subject to HMRC prevailing rates and conditions, currently):

Minimum journey time	Maximum amount of meal allowance
5 hours	£5
10 hours	£10

Minimum journey time**Maximum amount of meal allowance**

15 hours (and ongoing at 8pm)

£25

Travel (subject to approved HMRC prevailing rates and conditions, currently):

Vehicle	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Passenger payments - cars and vans - 5p per passenger per business mile for carrying another Councillor/officer in a car or van on journeys which are also official business journeys for them.