

Tendring
District Council



INDEPENDENT REMUNERATION PANEL

REPORT TO

TENDRING DISTRICT COUNCIL

May 2019

Recommendations on the Level of Members'

Allowances to Be Paid in the Municipal Year 2019/2020

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 27th November 2018 the following were appointed to the Independent Remuneration Panel:-

▽ **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.

iii. Existing Scheme

The existing scheme was agreed at the meeting of Full Council on 24 April 2018.

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 48 elected Members. Up until the local elections held on 2 May 2019, the Council consisted of 60 elected Members. Following an Electoral review by the Local Government Boundary Commission for England the number of members elected on 2 May was 48 with the number of wards in the district being reduced from 35 to 32.
- **A Cabinet** consisting of the Leader of the Council and up to nine Portfolio Holders. 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 2 committees: Community Leadership Overview and Scrutiny Committee and Resources and Services Overview and Scrutiny Committee both comprising of 9 members and each committee having separate and defined responsibilities;
- **Audit Committee** comprising 7 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 9 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 11 members and oversees the preparation of the Local Plan and the setting of planning policy;
- **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. It has 9 members and operates 2 licensing sub-committees;
- **Human Resources and Council Tax Committee** that deals with general staffing matters and agrees annually the overall council tax for the District. It has 9 members.

v. Review 2019

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 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 is grateful to members who took the time to respond to the Chair's introductory letter, completed the questionnaire or met with us. Those who engaged with the Panel had varying views, all of which we considered before making our Recommendations.

The Panel have considered whether they wish to recommend any changes to the Scheme for 2019 and their proposals are set out below. In particular, the Panel has considered workload implications of changes to Councillor numbers from 1 May 2019, the relative workloads and requirements of Committees and comparability with the allowances paid by similar Councils. The proposal for Basic Allowance is equivalent to 15 hours work per week, using the average Tendring full-time wage of £11.88 per hour and a 40% Public Service Discount.

The Panel proposes that all allowances continue to be set as a proportion of Basic Allowance, and rounded to be divisible by 12 for ease of payment monthly. Where a Councillor attracts more than one SRA, only the higher SRA (plus their Basic Allowance) will be paid.

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.

HMRC has recently issued revised benchmark subsistence rates and the IRP propose that these be adopted by Tendring District Council. The rates and conditions are as follows:-

The rate of subsistence shall not exceed :-

One meal (5-hour) rate **£5.00**

The rate may be paid where the qualifying travel exceeds 5 hours and the Councillor has incurred the cost of a meal.

Two meal (10-hour) rate **£10.00**

The rate may be paid where the qualifying travel exceeds at least 10 hours and the Councillor has incurred the cost of a meal or meals.

Late meal (on-going at 8pm) rate **£25.00****

The rate may be paid where the Councillor is staying away and has to buy a meal before the qualifying journey ends which they would usually have at home.

HMRC approved Benchmark scale rate payments must be limited to 3 meal rates on one day or 24-hour period. A meal is defined as a combination of food and drink and would take a normal dictionary meaning.

**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.

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

- travel must be in the performance of qualifying duties on a journey that is not substantially ordinary commuting.

- the Councillor should be absent from his normal place of work or home for a continuous period in excess of five hours or ten hours.
- and should have incurred a cost on a meal (food and drink) after starting the journey and retained **receipts/appropriate evidence of their expenditure.**

A Councillor 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, then you are not also be entitled to a benchmark rate in respect of those meals.

Given the change in number of Councillors and seats on Committees, the Panel recommends that a high level and light touch review be undertaken after three months of the new scheme to consider if any urgent changes are required to the scheme of allowances. Otherwise, the Panel recommends that the scheme be reviewed in early 2020 for recommendation of a scheme for 2020/21 to the Annual Council meeting on 28th April 2020. The panel would actively support the Council in the implementation of a system to ensure that all members contribute fully to their role as Ward and District Councillor.

The Panel's recommendations will be considered at the Annual Council meeting on 21 May 2019, to commence from 1 May 2019, the start of the 2019/20 Municipal Year.

2. RECOMMENDATIONS

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

- **Chairman and Vice Chairman Allowances**

The SRA for Chairman is set at 1.14 times the Basic Allowance and the SRA for Vice Chairman is set at 0.32 of the Basic Allowance, reflecting the nature of the roles, giving a recommended amount payable from 1 May 2019 of:-

Chairman's allowance - £6,348 (previously £6,329)
Vice Chairman's allowance - £1,788 (previously £2,231)

- **Basic Allowance**

Increase by 7.5% to reflect additional work from ward changes and increased numbers of constituents, which is more comparable to the mean and median of Basic Allowance paid by other Councils, giving a recommended amount payable from 1 May 2019 of:-

Basic allowance - £5,556 (previously £5,173)

- **Leader of the Council SRA**

Change so that the SRA for Leader is set at 3.4 times the Basic Allowance, maintaining approximately the current level of allowance to reflect workload, giving a recommended amount payable from 1 May 2019 of:-

Leader of the Council - £18,900 (previously £18,622)

- **Cabinet Members SRA**

Change so that the SRA for a Cabinet Member (excluding the Leader) is set at 1.63 times the Basic Allowance, giving a recommended amount payable from 1 May 2019 as below. If there are more than seven Cabinet Members then the total of £63,504 (7 x £9,072) is to be shared

between them.

Cabinet Member - £9,072 (previously £8,939)

- **Chairman of Audit Committee SRA**

Change so that this SRA is set at 0.7 times the Basic Allowance, giving a recommended amount payable from 1 May 2019 of :-

Chairman of Audit Committee - £3,900 (previously £4,343)

- **Chairman of Community Leadership Overview and Scrutiny Committee**

Change so that this SRA is set at 0.7 times the Basic Allowance giving a recommended amount payable from 1 May 2019 of:-

Chairman of Community Leadership Overview and Scrutiny Committee - £3,900 (previously £4,343)

- **Chairman of Resources and Services Overview and Scrutiny Committee**

Change so that this SRA is set at 0.7 times the Basic Allowance, giving a recommended amount payable from 1 May 2019 of:-

Chairman of Resources and Services Overview and Scrutiny Committee - £3,900 (previously £4,343)

- **Chairman of Human Resources and Council Tax Committee**

Change, so that this SRA is set at 0.5 times the Basic Allowance, reflecting the amount of business compared to other committees, giving a recommended amount payable from 1 May 2019 of:-

Chairman of Human Resources and Council Tax Committee - £2,784 (previously £3,838)

- **Chairman of Planning Policy and Local Plan Committee SRA**

Introduce a new allowance set at 0.5 times the Basic Allowance, reflecting the amount of business compared to other committees, giving a recommended amount payable from 1 May 2019 of:-

Chairman of Planning Policy and Local Plan Committee - £2,784 (previously £0)

- **Chairman of Planning Committee SRA**

Increase so that this SRA is set at 1.19 times the Basic Allowance, reflecting the amount of business compared to other committees, including site visits and statutory training, giving a recommended amount payable from 1 May 2019 of:-

Chairman of Planning Committee - £6,600 (previously £6,331)

- **Vice Chairman of Planning Committee SRA**

Remove this SRA, in light of increases to Members of Planning Committee, giving a recommended amount payable from 1 May 2019 of-

Vice Chairman of Planning Committee – £0 (previously £2,049)

- **Member of Planning Committee**

Increase so that this SRA is set at 0.16 times the Basic Allowance, reflecting the amount of business, including site visits and statutory training, giving a recommended amount payable from 1 May 2019 of:-

Member of Planning Committee - £900 (previously £505)

- **Chairman of Licensing and Registration Committee**

Change, so that this SRA is set at 0.5 times the Basic Allowance, reflecting the amount of business compared to other committees, giving a recommended amount payable from 1 May 2019 of:-

Chairman of Licensing and Registration Committee - £2,784 (previously £4,343)

- **Chairman of Miscellaneous Licensing Sub Committee**

Change so that this SRA is set at 0.13 times the Basic Allowance, reflecting the need for site visits and statutory training, giving a recommended amount payable from 1 May 2019 of:-

Chairman of Miscellaneous Licensing Sub Committee - £720 (previously £657)

- **Member of Licensing and Registration Committee**

Introduce a new allowance set at 0.05 times the Basic Allowance, reflecting the need for site visits and statutory training, giving a recommended amount payable from 1 May 2019 of:-

Member of Licensing and Registration Committee - £276 (previously £0)

- **Opposition Group Leader**

Change, giving a recommended amount to an Opposition Group Leader (where there are 4 or more members in the Group), payable from 1 May 2019 of:-

Amount for being a Group Leader	£900 (previously £1,010)
Plus for each Member of the Group	£96 (previously £90)

- **Childcare Allowance**

The Panel recommends a rate of the voluntary living wage increasing to **£9.00 per hour (previously £ 8.75 per hour)** for a maximum of 15 hours per week.

- **Dependent Carer Allowance**

The Panel recommends a rate of the voluntary living wage increasing to **£9.00 per hour (previously £ 8.75 per hour)** for a maximum of 15 hours per week.

- **Conference Allowance – subsistence rates are changing -**

One meal (5-hour) rate	£5.00
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Two meal (10-hour) rate	£10.00
Late meal (on-going at 8pm) rate	£25.00
(subject to conditions set out above)	

The Panel **recommends that the new HMRC benchmark rates should be adopted.**

- **Maximum Subsistence Allowances**

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

- **Mileage Allowance**

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

3. REVIEW OF ALLOWANCES FOR 2020/2021

The Panel strongly recommends a further review of allowances be undertaken in respect of the municipal year 2020/2021.

4. SUMMARY OF PROPOSED ALLOWANCES 2019/2020

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
Opposition Group Leaders (with 4 or more members in the Group)	
– Amount for being a Group Leader	900
- Amount per Group Member	96
Chairman – Planning Committee	6,600
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

Expenses

Childcare allowance	Voluntary Living Wage (currently £9.00) per hour
Dependent Carer allowance	Voluntary Living Wage (currently £9.00) 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)
Passenger	HMRC rate (currently 0.05p per mile)
Subsistence – one meal (5 hour) rate	£5.00
Subsistence – two meal (10 hour) rate	£10.00
Subsistence – late meal (ongoing at 8pm rate)	£25.00