



<b>Report of:</b>	<b>Meeting</b>	<b>Date</b>
Clare James, Corporate Director Resources (Section 151 Officer)	Council	11 March 2021

## **Members' Allowances Scheme**

### **1. Purpose of report**

- 1.1** To inform Council of the outcome of an interim review of the Members' Allowances Scheme undertaken by the Independent Remuneration Panel.

### **2. Outcomes**

- 2.1** A Scheme of Members' Allowances which appropriately reflects members' current roles, duties, responsibilities and commitments.

### **3. Recommendations**

- 3.1** That, in line with the formula applied since 2012 and endorsed last year, the Basic Allowance paid to each Councillor be increased by 2.75%, from £4,347 per annum, to £4,467 with effect from 2 May 2021.
- 3.2** That no other changes be made to the Scheme for 2021/22.

### **4. Background**

- 4.1** The Council is required to appoint an Independent Remuneration Panel (IRP) to review periodically its scheme of allowances to councillors. Until the meeting held on 28 January 2021 the Panel comprised Ron Matthews (Chairman), Michael Collins, Ryan Hyde and Rev John Squires.
- 4.2** Ron Matthews, who has been a member of the Panel for over twelve years, tendered his resignation at the meeting held on 28 January 2021. Michael Collins, who has been a member of the Panel for eight years, has indicated that he intends to resign, which will take effect after the next meeting. A recruitment exercise will need to be undertaken to ensure that the Panel consists of at least three members.

- 4.3** A 'lighter touch' interim review was carried out this year, during which the Panel met once. At that meeting the Panel considered comparative information about Members' Allowance Schemes, with the most recently available allowance levels at other councils in Lancashire and a group of similar councils in other parts of the country being presented. A full review of the Allowances Scheme will be carried out by the end of 2021/22.
- 4.4** All Wyre Councillors were invited to email any questions, comments or issues for consideration to the Panel. Two responses were received which were taken into account in the Panel's deliberations.

## **5. Key issues and proposals**

### Uplift of the Basic Allowance

- 5.1** Since 2012, the Basic Allowance paid to each Councillor at Wyre has been linked to the percentage increase in staff pay in the preceding year. In line with that formula, the Basic Allowance for 2020/21 was increased by 2% from the previous year to £4,347.
- 5.2** The current approach of linking councillors' allowances to staff increases is still considered by the Panel to be a fair methodology to use. It is therefore recommending that the Basic Allowance for each Councillor for 2021/22 be increased by 2.75% (£120) to £4,467.

### Special Responsibility Allowances

- 5.3** The Panel was informed that there had been no significant changes since its last review to the roles for which Special Responsibility Allowances (SRAs) are paid or to the number of councillors receiving them. The Panel therefore decided not to recommend any changes to the way in which Special Responsibilities Allowances are calculated at this stage and to consider all such payments during its next review.
- 5.4** The Panel agreed that they would like to consider in greater detail the possibility of limiting councillors to receiving a maximum of two allowances (the Basic Allowance plus one other). This was a matter that would be considered during a full review of the scheme later in the year.

### Levels of Allowances for 2021/22

- 5.5** The full list of Allowances for 2021/22, including the increases recommended above, is set out in Appendix A.

## Arrangements for a full review in 2021/22

**5.6** The Panel has given some initial consideration to the full review to be carried out in the coming year, ideally following the recruitment of additional panel members. It is intended that the officers will undertake a benchmarking exercise of the members' allowances paid at all Lancashire Authorities and Wyre's 'family group' of similar councils during August 2021. The Panel will consider comparative information to be submitted to them at an initial meeting, expected to be in September, when the scope of the review will be agreed. As in previous such reviews, in addition to looking at the Basic Allowance paid to all councillors, the Panel will review the formulas used for Special Responsibility Allowances. The Panel will invite all councillors to raise any issues or submit comments and may also invite the Party Group Leaders and some recipients of Special Responsibility Allowances to attend a meeting of the Panel to clarify their responsibilities to explain how they undertake their respective roles.

<b>Financial and legal implications</b>	
Finance	The cost of the proposed 2.75% increase in allowances for 2021/22 will be reflected in the draft revenue estimates, to be considered by the Cabinet at its meeting on 17 February. The cost of the change of Basic Allowances is expected to be £6,000 and the consequent increase in the cost of Special Responsibility Allowances (which are based on multiples of the Basic Allowance) is expected to be £2,448, (an overall increase of £8,448 in total).
Legal	The Council has a duty under Regulation 19 the Local Authorities (Members' Allowances) (England) Regulations 2003 to have regard to the recommendations of the Panel when considering any changes to the Scheme. The Council is also required, (under Regulation 22) to publicise receipt of the report and the main features of the Panel's recommendations.

### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	X
equality and diversity	X
sustainability	X
health and safety	X

risks/implications	✓ / x
asset management	X
climate change	X
ICT	X
data protection	X

### Processing Personal Data

If the decision(s) recommended in this report will result in personal data being processed, a privacy impact assessment (PIA) will have been completed and signed off by the council's Data Protection Officer before the decision is taken (as required by the General Data Protection Regulations 2018).

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List of background papers:		
name of document	date	where available for inspection
None	-	-

### List of appendices

Appendix A: Levels of Allowances 2021/22

dems/cou/21/1103pf2

## Proposed Levels of Allowances 2021/22

The following allowances apply to the Wyre Borough Council Members' Allowances Scheme set out in Part 6.01 of the Constitution as adopted by the Council on 22 January 2015 for Wyre Borough Council. The payments set out below assume that the IRP's recommendations to the Council meeting on **11 March 2021** are approved. The allowances paid to the Group Leaders reflect the current political balance of the Council updated from 2 February 2021 (Conservative 37, Labour 8, Wyre Alliance 3 and Wyre Residents 2).

**Basic Allowance** (All Members will receive the Basic Allowance.)

Annual amount per Member (as at 2 May 2021)                      £4,467

### Special Responsibility Allowance

<b>Responsibility</b>	<b>Method of calculation</b>	<b>Annual Amount</b>
Leader	4 x Basic Allowance	£17,868
Deputy Leader	0.5 x Basic Allowance	£2,233.50
Cabinet Members (excluding the Leader)	2 x Basic Allowance	£8,934
Group Leaders *	(n/50) x Basic Allowance, where n = no. of Members in Group	£3,305.58 (Con) £714.72 (Lab) £268.02 (Wyre Alliance) £178.68 (Wyre Residents)
Chairman of Overview and Scrutiny Committee	1.5 x Basic Allowance	£6,700.50
Chairman of Audit Committee	0.8 x Basic Allowance	£3,573.60
Chairman of Planning Committee	1.5 x Basic Allowance	£6,700.50
Chairman of Licensing Committee	1 x Basic Allowance	£4,467
Chairman of Standards Committee	0.1 x Basic Allowance	£446.70
Lead Members (2)	Fixed Sum	£250
Mayor	Annual Sum**	£9,423
Deputy Mayor	Annual Sum**	£1,848

Note: \* Payable in respect of a group of two or more Members

\*\* An annual allowance which reflects the Mayors/Deputy Mayors Civic duties

To illustrate: the total amounts payable to recipients of Special Responsibilities in 2021/22 are expected to be as follows (provided no changes to political balance or responsibilities occur):

Leader of the Council	(£4,467 + £17,868 + £3,305.58)	= £25,640.58
Deputy Leader	(£4,467 + £8,934 + £2,233.50)	= £15,634.50
Cabinet Members	(£4,467 + £8,934)	= £13,401
Labour Group Leader	(£4,467 + £714.72)	= £5,181.72
Wyre Alliance Group Leader	(£4,467 + £268.02)	= £4,735.02

Wyre Residents Group Leader	(£4,467 + £178.68)	= £4,645.68
Chairman of Overview and Scrutiny Committee	(£4,467 + £6,700.50)	= £11,167.50
Chairman of Audit Committee	(£4,467 + £3,573.60)	= £8,040.60
Chairman of Planning Committee	(£4,467 + £6,700.50)	= £11,167.50
Chairman of Licensing Committee	(£4,467 + £4,467)	= £8,934
Chairman of Standards Committee	(£4,467 + £446.70)	= £4,913.70
Mayor	(£4,467 + £9,423)	= £13,890
Deputy Mayor	(£4,467 + £1,848)	= £6,315

### **Travel Allowances**

- a. For travel by rail, the option that offers best value for the council will be selected. Rail Travel Warrants should be used whenever possible, their value to be deducted from any amounts claimed.
- b. Member's or Co-optee's own motor cycle usage will be linked to the HMRC rate for tax allowances (currently 24p per mile).
- c. Member's or Co-optee's own private motor vehicle, or one belonging to a member of her/his family or otherwise provided for her/his use will be paid at a flat rate per mile (currently 52.2p). The allowance will be linked to the NJC car mileage rates paid to officers and reflect the mid-point of the casual user rate.
- d. Increase for each passenger to whom travelling expenses would otherwise be payable up to a maximum of four is paid at the HMRC rate for tax allowances (currently 5p per mile).

### **Subsistence Allowances**

#### 1. Day Subsistence

This is not normally paid as attendance at conferences and seminars will include the provision of refreshments/lunch.

#### 2. Overnight Subsistence

The Overnight allowance to cover hotel bills including breakfast is normally arranged via the Financial Services team and paid directly by the Council. An evening meal allowance of £15 is payable on the production of valid receipts.

### **Dependants' Carers' Allowance**

Amount per hour, calculated from time leaving home to time returning home, paid in accordance with the national minimum wage.

### **National Insurance Contributions (with effect from 06/04/20)**

Earnings allowable before deductions made

**£6,240 per annum\***  
**(£520 per month)\***