

Report of:	Meeting	Date
Clare James, Corporate Director Resources	Council	14 April 2022

Members' Allowances Scheme

1. Purpose of Report

- 1.1 To detail the recommendations of the Independent Remuneration Panel (IRP) in relation to the Council's Members' Allowances Scheme ("the Scheme") subsequent to the full review undertaken in 2021/22.

2. Outcomes

- 2.1 A Scheme that properly reflects councillors' current roles, duties, responsibilities and commitments under the Council's Constitution.

3. Recommendations

- 3.1 That, in line with the formula applied since 2012, the Basic Allowance paid to each councillor be increased by 1.75%, from £4,467 per annum to £4,545 per annum, with effect from 12 May 2022.
- 3.2 That, with the exception of the Chairman of the Audit Committee (see below), the method in which Special Responsibility Allowances (SRAs) for members of the Executive, Group Leaders or Chairmen of Committees are calculated continue to be based on the various current multipliers of the Basic Allowance for each of the posts as set out in Part 6.01 Appendix A of the Constitution.
- 3.3 That the SRA paid to the Chairman of the Audit Committee be increased from 0.8x to 1x basic allowance.
- 3.4 That the SRAs paid to the Lead Member for Children and Young People and the Lead Member for Older People remain unchanged.
- 3.5 That no changes be made to the SRAs paid to the Mayor or the Deputy Mayor.

3.6 That the levels of allowances to be paid in 2022/23 as set out in Appendix 2, be noted.

3.7 That all other elements of the Council's Members' Allowances Scheme remain unchanged.

3.8 That the members of the IRP be thanked for their work on this review.

4. Background

Membership of the Panel

4.1 The Council is required to appoint an IRP to review its allowance payments to councillors periodically and recommend a Members' Allowances Scheme to the Council.

4.2 The Regulations require that IRPs consist of at least three members and that those members cannot be members of a committee or a sub-committee of an authority in respect of which the Panel makes recommendations.

4.3 Following the resignation of Ron Matthews and Michael Collins from the IRP in 2021, a recruitment exercise was undertaken and the current members of the IRP are:

- Reverend John Squires (Chairman);
- Professor Darren Ansell; and
- Mr Ryan Hyde.

Terms of Reference of the Panel

4.4 The terms of reference of the IRP are:

To propose a scheme for Members' Allowances that:

- recognises the roles, duties and responsibilities of Members, both as decision makers and community representatives, under the Council's Constitution;
- is easy to understand by Members and the public;
- is simple to operate;
- includes provision for annual review without the need for fundamental change;
- considers, subject to the necessary legislation, whether allowances should be pensionable;
- considers what other allowances, such as travel and subsistence, should be paid and in what circumstances; and
- considers the provision for different levels of allowance reflecting the responsibilities of the post-holders.

Current Position and Scope of the Review

- 4.5** The principal components of Wyre's current Members' Allowances Scheme are a flat rate Basic Allowance for all Members (a statutory element of all local authority schemes), together with SRAs allocated to defined post-holders, the amounts reflecting the relative additional responsibilities of each post over and above the Basic Allowance. These are supported by allowances for travel and subsistence costs incurred on defined 'approved' duties. The Scheme also provides for the payment of Carer's and Dependant Carer's Allowances.
- 4.6** The current version of the full Scheme (including the levels of allowances for 2021/22) is attached as Appendix 1 of this report.
- 4.7** The last comprehensive review of the Scheme was undertaken by the IRP in 2017/18, with recommended changes approved at the Council meeting of 8 March 2018. The Panel conducted "light-touch" interim reviews in 2018/19, 2019/20 and 2020/21, following which a number of minor changes were recommended and approved by the Council.

Methodology

- 4.8** To conduct the review, the IRP met on four occasions: 8 December 2021, 19 January 2022, 26 January 2022 and 16 February 2022.
- 4.9** Prior to the commencement of the review, all councillors were invited to make comments or suggestions for consideration by the Panel, but none were received.
- 4.10** As the request for councillors to make comments or suggestions for consideration did not elicit any responses, the Panel asked for a questionnaire to be devised and councillors were asked to complete it. The Democratic Services Team prepared an appropriate questionnaire, which was made available online. 30 responses were received from councillors and their responses are shown in graphical form at Appendix 3.
- 4.11** On 26 January 2022, the Panel conducted separate interviews with Cllr David Henderson, Leader of the Council, Cllr Michael Vincent, Deputy Leader and Resources Portfolio Holder and Cllr Lesley Mackay, Chairman of the Audit Committee, to individually provide their views on their roles and responsibilities and answer questions from Panel members. In order to enable the councillors to talk freely, the officers supporting the IRP were excluded from those interviews.
- 4.12** Mr Hyde also sought advice from Cllr Sir Robert Atkins, Chairman of the Climate Change Policy Group, about any possible approaches that might help to reduce councillors' carbon footprints by discouraging travel by car but nothing specific was identified. This is partly influenced by the lack of

legislation allowing hybrid or remote council meetings which currently limits all council's ability to reduce mileage in respect of these.

4.13 During the course of the review, the Panel has considered the effects of new developments following the last full review in 2018, including the impact of COVID-19 and has revisited issues raised in its previous two interim reviews. The IRP considered:

- benchmarking data including the comparative information collected in 2022 from a new “family group” of councils identified by the Chartered Institute of Public Finance and Accountancy (CIPFA) as geographically and demographically similar to Wyre;
- benchmarking data from the other district councils in Lancashire;
- the number of meetings of each of Wyre's committees that were held in the immediately preceding years;
- the payments made to each Wyre Councillor since 2016;
- travel expenses claimed by councillors over the preceding three years;
- whether the roles and duties of Committee Vice Chairmen might also justify the payment of SRAs; and
- the current version of the Scheme included in the Council's Constitution.

4.14 Members of the Panel have also had an opportunity to make comments by email prior to the finalisation of this report.

5. Key Issues and Proposals

General comments

5.1 Having considered all the information available, the Panel has decided to recommend only a small number of minor changes to the Scheme. The details of the IRP's reasoning in coming to its conclusions and the specific reasons for proposed changes are set out under each heading below.

Basic Allowances

5.2 The current Basic Allowance of £4,467 per annum paid to all Wyre Councillors is in the mid-range for similar authorities and for other districts in Lancashire.

5.3 The Panel consider that the practice, introduced by Wyre in 2012, of linking the Basic Allowance to the amount of the increase paid to employees in the preceding year is fair and impartial and that it continues to provide the most transparent and equitable method for any increases in Councillors' Basic Allowance.

- 5.4** Following the introduction of the process of increasing the Basic Allowance in line with the percentage increase in staff pay, recent increases since May 2018 have been 1%, followed by 2% increases from May 2019 and 2020 and a 2.75% in May 2021.
- 5.5** The Panel has concluded that it is appropriate to continue this practice and is therefore recommending that the Basic Allowance be increased by 1.75% from May 2022, to reflect the 1.75% increase paid to employees from April 2021.

SRAs for the Leader, Deputy Leader and other Cabinet Members

- 5.6** The comparative information considered by the IRP indicated that the SRAs paid to both the Leader of the Council and members of the Cabinet in Wyre occupied fourth position when ranked against those allowances for comparative authorities. The allowance paid to the Deputy Leader was by contrast closer to the lower end of the scale (12th out of 15).
- 5.7** At the interviews held on 26 January 2022, the Panel queried the apparent disparity between the allowances of the Leader and Deputy Leader and ascertained from their responses, that it was not necessary to attempt to bridge the differential because the Deputy Leader also received the Cabinet member allowance.
- 5.8** The Panel also considered whether the Deputy Leader's SRA and their Cabinet allowance should be combined and concluded that they should remain as separate SRAs to allow for any future contingency where a Deputy Leader might be selected who was not also a member of the Cabinet.
- 5.9** The IRP therefore considered that, based on the interviews with Cllr Henderson and Cllr Michael Vincent, there was no justification at this time for increasing the Deputy Leader allowance.

SRAs for Party Group Leaders

- 5.10** Each Party Group Leader currently receives an SRA based on the number of Members in their Party Group (defined as two or more members of the authority who wish to be treated as a political group).
- 5.11** There are currently four Party Groups represented within the Council and the Panel recognises that there is a need for the Leaders of the opposition groups to receive an allowance for the responsibilities they have to undertake when performing that role. The IRP is therefore recommending that for 2022/23, no change is required to the formula for calculating the allowance for Group Leaders and that the Leaders of the opposition groups continue to receive an allowance.

SRAs for Committee Chairmen and Vice Chairmen

- 5.12** The IRP thoroughly reviewed the levels of responsibilities of Committee Chairmen at the full IRP review in 2015 and, having looked at comparisons with other authorities, the only new issue raised with the Panel during the 2021/22 review was the multiplier for the Chairman of the Audit Committee, which had been reduced from 1.5x to 0.8x in 2012. The IRP has recommended an increase in this SRA to a 1x multiplier to reflect the increased responsibilities of the Committee.
- 5.13** The Panel identified no other significant disparities. The Panel are recommending that all other current multipliers of the Basic Allowance continue to be applied without amendment.

Vice Chairman

- 5.14** The IRP discussed whether Vice Chairmen should receive a SRA and resolved that at present there was insufficient evidence to indicate that an SRA would be justified. The Panel resolved to revisit this and consider the extent of the involvement of Vice Chairmen as part of its interim review in Autumn 2022 when, following the return to 'in person' meetings following COVID-19 restrictions, the extent of the involvement of Vice Chairmen might be better determined. Any subsequent recommendations by the IRP could then be considered by Council prior to May 2023.

SRAs for the Lead Members

- 5.15** Wyre currently has two Lead Members - Lead Member for Older People and Lead Member for Children and Young People - who have no decision-making powers. Their role is to develop expertise in their portfolio and provide information, advice and support where appropriate to the Cabinet on those topics as they are significant for all of the Cabinet portfolios. At the last full review, the IRP agreed that each Lead Member would continue to be paid a fixed sum of £250 per annum.
- 5.16** The Panel is recommending that no changes be made to these SRA's and that each Lead Member continue to be paid £250 in 2022/23.

SRAs for the Mayor and Deputy Mayor

- 5.17** The current levels of the allowances paid to the Mayor and Deputy Mayor of £9,423 and £1,848 per annum are in the mid-range for similar authorities. The Panel has therefore concluded that the current levels of the allowances paid to the Mayor and Deputy Mayor are considered reasonable for the roles undertaken and is recommending that no changes be made.

IT Costs

- 5.18** The Council has supplied all councillors with a tablet device that enables them to download and view agendas, reports and minutes before, during and after meetings using the Modern.Gov committee management

system. Councillors can also use their tablets to send and receive emails when they have Wi-Fi access and as a result, a separate IT Allowance, which had previously been paid in addition to the Basic Allowance, is no longer necessary and was withdrawn with effect from 2 May 2019. This move to paperless meetings has already helped to reduce the council's carbon footprint.

The Members' Allowances Scheme

- 5.19** Historically, the Panel undertook a thorough review of all other elements of the Scheme in 2014/15, including provisions for Travel Allowances, Subsistence Allowances and Carer's and Dependent Person's Allowance. The eligibility criteria for those allowances and the definition of "approved duties" were also made more explicit as part of the 2015/16 review.
- 5.20** The Panel scrutinised the current Scheme as part of this review and do not propose any additional changes to the Scheme for 2022/23. The minor amendments shown in Appendix 1 reflect changes in procedure.

Financial and legal implications	
Finance	<p>The cost of the Panel's proposed increase of 1.75% in the Basic Allowance is an estimated £3,900 and the consequential increases in the Special Responsibility Allowances based on multipliers of the Basic Allowance, would be £2,500.20 in 2022/23.</p> <p>These figures are within the aggregate estimated provision contained in the Medium Term Financial Plan.</p>
Legal	<p>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.</p>

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.

implications	✓ / x
community safety	x

risks/implications	✓ / x
asset management	x

equality and diversity	x
sustainability	x
health and safety	x

climate change	✓
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of Background Papers:		
Name of Document	Date	Where available for inspection
None	-	-

LIST OF APPENDICES

- Appendix 1 Current Members' Allowances Scheme (Council's Constitution Pt. 6.01) showing track changes
- Appendix 2 Proposed Levels of Allowances for 2022/23
- Appendix 3 Councillors' responses to IRP questionnaire 2022