

Report of:	Meeting	Date
Clare James, Corporate Director Resources (Section 151 Officer)	Council	20 April 2023

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 interim review undertaken in January 2023.

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 the Basic Allowance paid to each councillor be increased by 4.04%, from £4,545 per annum to £4,728 per annum, with effect from 18 May 2023. NOTE - the percentage multiplier formula used since 2012 cannot be applied owing to the pay increase for staff for 2022/23 being a flat rate increase of £1,925 on every spinal point. Instead the uprating of 4.04% on allowances has been suggested, which the majority of local councils are adopting where similar arrangements exist.
- 3.2 That 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 Section A of the Constitution.
- 3.3 That the SRAs paid to the Lead Member for Children and Young People and the Lead Member for Older People remain unchanged.
- 3.4 That no changes be made to the SRAs paid to the Mayor or the Deputy Mayor.

- 3.5 That the levels of allowances to be paid in 2023/24 as set out in Appendix 2, be noted.
- 3.6 That all other elements of the Council's Members' Allowances Scheme (Appendix 1) remain unchanged.
- 3.7 That as Ryan Hyde was resigning from the IRP, Mr Hyde be thanked for all his help as a member of the panel.
- 3.8 That, if approved, the revised version of the Members' Allowances Scheme and the levels of allowances be included in the Council's Constitution.
- 3.9 That the members of the IRP be thanked for their work on the 2022/23 interim 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 The members of the IRP for the interim review 2022/23 were:
 - 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 full Scheme (as amended and to be agreed by Council at an early opportunity), including the levels of allowances for 2022/23, is attached as Appendix 1 and 2 of this report.
- 4.7** The last comprehensive review of the Scheme was undertaken by the IRP in 2021/22 and the recommended changes were approved at the Council meeting of 14 April 2022, taking effect from 12 May 2022.

Methodology

- 4.8** The IRP met on 18 January 2023 to conduct the review.
- 4.9** In 2012, Wyre introduced the practice of linking the basic allowance to the amount of the percentage increase paid to employees in the preceding year. This method has continued since that date. The IRP were unable to recommend the formula used since 2012 to uprate the basic allowance for 2023/24 owing to the pay increase for staff for 2022/23 being a flat rate increase of £1,925 on every spinal point. Instead, the uprating of 4.04% on allowances has been suggested, which the majority of local councils are adopting where similar arrangements exist.
- 4.10** The Panel agreed that the formula to be applied to the basic allowance paid to each councillor would be an increase of 4.04% with effect from 18 May 2023, which would increase it from £4,545 per annum to £4,728 per annum, unless the councillors wished to vote against it and take a lower percentage.
- 4.11** Prior to the commencement of the review, all councillors were invited to make comments or suggestions for consideration by the Panel. Four responses were received and the Panel noted those comments and

asked that the councillors who had responded be thanked for their contributions.

4.12 During the course of the review, the IRP considered:

- benchmarking data from the other district councils in Lancashire;
- the current version of the Scheme included in the Council's Constitution.

4.13 Members of the Panel 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 no changes to the Scheme. The details of the IRP's reasoning in coming to its conclusions are set out under each heading below.

Basic Allowances

5.2 The current Basic Allowance of £4,545 per annum paid to all Wyre Councillors is in the mid-range for similar authorities and for other districts in Lancashire.

5.3 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, 2.75% in 2021 and a 1.75% increase from April 2022.

5.4 The Panel concluded that it was not possible to continue this practice in 2022/23 as flat rate increase was agreed for all staff of £1,925 on every spinal point. As an uprating of 4.04% on allowances (such as travel, accommodation, overtime etc.) was also part of the pay award this is being recommended as the level of increase on the basic allowance.

5.5 The Head of Governance and Business Support had submitted a report to the IRP to provide the IRP with information and options for the annual increase to the allowances paid to councillors and consider what would be an appropriate increase for councillors as a base figure for the calculation of Wyre councillors' allowances for 2023/24. In addition, an edited summary of a private forum discussion of the Association of Democratic Services Officers (ADSO) about the 2022/23 Local Government Pay Award and proposed Members' percentage increases had also been included for the benefit of the IRP. The Panel were happy with the comprehensive information provided, which they felt gave

sufficient information to make a reasonable comparison for this interim review of allowances.

- 5.6** The Panel considered that there was no case for an increase of more than the 4.04%, which was the favoured option by most of those participating in the ADSO forum. The 4.04% was lower than average pay growth and, when applied to the current level of basic allowance would be approximately £4,728, which was closer to the average. The consensus therefore was that a 4.04% increase was justifiable.

SRAs for the Leader, Deputy Leader and other Cabinet Members

- 5.7** The Panel considered that no further changes were required to the multipliers for the SRAs paid to the Leader, Deputy Leader and other Cabinet Members. The method in which Special Responsibility Allowances (SRAs) for members of the Executive are calculated would continue to be based on the current multipliers of the basic allowance.

SRAs for Party Group Leaders

- 5.8** 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).
- 5.9** 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 recommending that 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.
- 5.10** The method in which Special Responsibility Allowances (SRAs) for Group Leaders are calculated would continue to be based on the current multipliers of the basic allowance.

SRAs for Committee Chairmen

- 5.11** The last full review of SRAs for Committee Chairmen was in 2021/22 this resulted in an SRA increase to the Audit Committee Chairman. As part of this review, the Panel considered that no further changes were required to the multipliers for Committee Chairmen.
- 5.12** The method in which Special Responsibility Allowances (SRAs) for Chairmen of Committees are calculated would continue to be based on the various current multipliers of the basic allowance.

SRAs for Vice Chairmen

5.13 The Panel observed that some authorities now had allowances for Vice-Chairmen and discussed whether Vice Chairs should receive a SRA. It was resolved that there was insufficient evidence to indicate that an SRA would be justified. The IRP felt that it would be best to revisit this after the election in May 2023, at the next interim review.

SRAs for Lead Members and Member Champions

5.14 Wyre currently has two Lead Members - Lead Member for Older People and Lead Member for Children and Young People – who are appointed by the Leader of the Council. They have no decision-making powers. The council also has two Champions appointed by the Full Council – Armed Forces Champion and Mental Health Champion. As the role of both Lead Members and Champions is to develop expertise in their portfolio, provide information, advice and support where appropriate on those topics and to provide annual reports to Full Council, the IRP agreed to consider at the next review whether there was there was a case for the roles to be standardised.

5.15 At the last review, the IRP agreed that each Lead Member would continue to be paid a fixed sum of £250 per annum. The Panel considered that the SRAs paid to the Lead Member for Children and Young People and the Lead Member for Older People should remain unchanged until the next review, which would be after the next election, and that each Lead Member continue to be paid £250 in 2023/24.

SRAs for the Mayor and Deputy Mayor

5.16 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 therefore concluded that the current levels of the allowances paid to the Mayor and Deputy Mayor remain reasonable for the roles undertaken and is recommending that no changes be made.

The Members’ Allowances Scheme

5.17 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.

5.18 The Panel scrutinised the current Scheme as part of the 2021/22 review and do not propose any additional changes to the Scheme for 2023/24.

Financial and legal implications	
Finance	The cost of the Panel’s proposed increase of 4.04% in the Basic Allowance is an estimated £9,150 and the consequential increases in the Special Responsibility Allowances based on multipliers of the Basic Allowance, would be £3,766.14 in 2023/24.

	These figures are within the aggregate estimated provision contained in the Medium Term Financial Plan.
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.

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

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.

Report Author	Telephone No.	Email	Date
Marianne Unwin	01253 887326	marianne.unwin@wyre.gov.uk	13 March 2023

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

LIST OF APPENDICES

- Appendix 1 Current Members' Allowances Scheme
- Appendix 2 Proposed Levels of Allowances for 2023/24