



<b>Report of:</b>	<b>Meeting</b>	<b>Date</b>
Clare James, Corporate Director Resources	Council	6 February 2020

## **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%, from £4,260 per annum, to £4,347 with effect from 3 May 2020.
- 3.2** That no other changes be made to the Scheme for 2020/21.

### **4. Background**

- 4.1** The Council is required to appoint an Independent Remuneration Panel (IRP) to review periodically its scheme of allowances to councillors. Following two new appointments made at the Council meeting on 14 November 2019, the Panel now comprises Ron Matthews, Michael Collins, Ryan Hyde and Rev John Squires.
- 4.2** A full review of the Allowances Scheme is due to be carried out during 2020/21. Only a 'light touch' interim review has therefore been carried out this year and the Panel has only had to meet once (on 4 December 2019) to do so. At that meeting the Panel received an update from the Head of Governance and the Democratic Services and Scrutiny Manager on the implementation of the recommendations approved last year, including the impact of changes to the use of IT by councillors. The Panel were also

provided, for information, with the most recently available allowance levels at other councils in Lancashire and a group of similar councils in other parts of the country. All Wyre Councillors were invited to email any questions, comments or issues for consideration to the Panel, but none were received.

## **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 (which for several years meant that there was no increase in the Basic Allowance). In line with that formula, the Basic Allowance for 2019/20 was increased by 2% from the previous year to £4,260.
- 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, particularly as the most recent officer pay award was implemented over a two year period, which includes 2019/20. It is therefore recommending that the Basic Allowance for each Councillor for 2020/21 be increased by 2% (£87) to £4,347.

### 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 (SRA's) 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 full review.

### Levels of Allowances for 2020/21

- 5.4** The full list of Allowances for 2020/21, including the increases recommended above, is set out in Appendix A.

### Arrangements for a full review in 2020/21

- 5.5** The Panel has given some initial consideration to the full review to be carried out in the coming year. 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 2020. They will consider comparative information to be submitted to them at an initial meeting, probably 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. Group Leaders and individual councillors will be invited to submit to any issues they wish the Panel to consider. The Panel will

again 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% increase in allowances for 2020/21 will be reflected in the draft revenue estimates, due to be considered by the Cabinet at its meeting on 12 February. The cost of the change of Basic Allowances is expected to be £4,350 and the consequent increase in the cost of Special Responsibility Allowances (which are based on multiples of the Basic Allowance) is expected to be £6,123.80, (an overall increase of £10,473.80 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.

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

<b>risks/implications</b>	<b>✓ / x</b>
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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<b>List of background papers:</b>		
name of document	date	where available for inspection
None	-	-

### **List of appendices**

Appendix A: Levels of Allowances 2020/21

**ISSUE NO. 29**  
**APPENDIX A**

## Proposed Levels of Allowances 2020/21

The following allowances apply to the Wyre Borough Council Members Allowances Scheme set out in Part 6.01 of the Constitution the scheme 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 6 February 2020 are approved. The allowances paid to the Group Leaders reflect the current political balance of the Council updated from 11 November 2019 (Conservative 37, Labour 8, Brexit 5).

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

Annual amount per Member (as at 3 May 2020)                      £4,347

### **Special Responsibility Allowance**

<b>Responsibility</b>	<b>Method of calculation</b>	<b>Annual Amount</b>
Leader	4 x Basic Allowance	£17,388
Deputy Leader	0.5 x Basic Allowance	£2,173.50
Cabinet Members (excluding the Leader)	2 x Basic Allowance	£8,694
Group Leaders *	(n/50) x Basic Allowance, where n = no. of Members in Group	£3,216.78 (Con) £695.52 (Lab) £434.70 (Brexit)
Chairman of Overview and Scrutiny Committee	1.5 x Basic Allowance	£6,520.50
Chairman of Audit Committee	0.8 x Basic Allowance	£3,477.60
Chairman of Planning Committee	1.5 x Basic Allowance	£6,520.50
Chairman of Licensing Committee	1 x Basic Allowance	£4,347
Chairman of Standards Committee	0.1 x Basic Allowance	£434.70
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 2020/21 are expected to be as follows (provided no changes to political balance or responsibilities occur):

Leader of the Council	(£4,347 + £17,388 + £3,216.78)	= £24,951.78
Deputy Leader	(£4,347 + £8,694 + £2,173.50)	= £15,214.50
Cabinet Members	(£4,347 + £8,694)	= £13,041
Labour Group Leader	(£4,347 + £695.52)	= £5,042.52
Brexit Group Leader	(£4,347 + £434.70)	= £4,781.70
Chairman of Overview and Scrutiny Committee	(£4,347 + £6,520.50)	= £10,867.50
Chairman of Audit Committee	(£4,347 + £3,477.60)	= £7,824.60

Chairman of Planning Committee	(£4,347 + £6,520.50)	= £10,867.50
Chairman of Licensing Committee	(£4,347 + £4,347)	= £8,694
Chairman of Standards Committee	(£4,347 + £434.70)	= £4,781.70
Mayor	(£4,347 + £9,423)	= £13,770
Deputy Mayor	(£4,347 + £1,848)	= £6,195

### **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 **£6,136 per annum\***  
**(£512 per month)\***

\* These are the National Insurance figures for 2019/20. The figures for 2020/21 have not yet been published by HMRC but are expected to be available in February 2020.