



Report To: Lancaster City Council

From: The Independent Remuneration Panel

Recommendations for the Municipal Year 2017/2018

Report to Council on 1 February 2017



1. PANEL REMIT

- 1.1 The Lancaster City Council Independent Remuneration Panel was established in accordance with Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations).
- 1.2 A local authority is required to establish and maintain an Independent Remuneration Panel to provide it with recommendations on a scheme of allowances to be paid to members and others. The authority must have regard to the recommendations of the Panel before it makes or amends its members' allowance scheme.
- 1.3 The allowances payable under a local authority scheme of allowances are as follows:
- **Basic Allowance** (*Each local authority **must** make provision in its scheme of allowances for a basic, flat rate allowance payable to all members of the authority which must be the same for each member*).
 - **Special Responsibility Allowance** (*Each authority **may** also make provision for payment of special responsibility allowances for those members who have significant responsibilities e.g. leader of the council, member of the executive/cabinet, presiding at meetings of committees, acting as spokesperson for a political group*).
 - **Dependents' Carers' Allowance** (*Each authority **may** also provide for the payment of a dependents' carers' allowance to those members who incur expenditure for the care of children or other dependents whilst undertaking particular duties*).
 - **Travelling and Subsistence Allowance** (*Each authority **may** also provide for the payment of a travelling and subsistence allowance to its members, including co-opted members*).
 - **Co-optees' Allowance** (*Each authority **may** also provide an allowance to any co-opted and appointed members of a council's committees or sub committees*).

2. PANEL MEMBERSHIP

- 2.1 There are currently four members on the Panel, all of whom were appointed by Council on the 15th July 2015:

Kirsten McAteer (Chairman) is a solicitor who has worked locally in private practice and for the Crown Prosecution Service, and she is now a Deputy District Judge of the County Court and a First-Tier Tribunal Judge sitting in the Social Entitlement Chamber.

Neil Harris is the Registrar and Secretary of the University of Cumbria, and has previously held posts in other Higher Education Institutions, the Department of Education and Science, and the National Curriculum Council.

Ian Johnson is a solicitor, who has worked in leading City law firms and as a General Counsel and Company Secretary in a FTSE100 company. He is currently chairman of the Blackpool Teaching Hospitals NHS Foundation Trust.

Harsha Shukla MBE is Chairman of Communities Together, President of Lancaster and Morecambe Hindu Society, and a member of the Faith in Lancaster Group.

3. BACKGROUND TO LANCASTER CITY COUNCIL SCHEME OF ALLOWANCES

- 3.1 The Members Allowances Scheme is reviewed on a regular basis with a major review every four years, before the Council elections. The current Scheme took effect in May 2015, and was approved by Council in December 2014, following a review in autumn 2014. It will therefore be due for a full review prior to the municipal year 2019/20.



- 3.2 However, it is good practice for the Panel to consider the Scheme on an annual basis and to recommend the Scheme to Council for the forthcoming year, with or without amendment.
- 3.3 The Regulations require an authority before the beginning of each year to ‘make’ the scheme for the payment of allowances in that year.
- 3.4 The Regulations require an authority to publish the payment of allowances.

4.0 SUMMARY OF RECOMMENDATIONS

- 4.1 The Panel has considered the current Scheme, including some specific areas set out below, and recommends that it remain unchanged for the next municipal year.

5.0 CARERS ALLOWANCES AND TRAVELLING EXPENSES FOR WARD/CHAMPIONS WORK

- 5.1 The Panel met on 24 October 2016 to consider a matter raised by Councillor Cozler relating to payment of carer’s allowance and travelling expenses for ward work, and for work as a Champion. Councillor Cozler is one of the Council’s two Champions for the Disabled.
- 5.2 Councillor Cozler attended that meeting and subsequently the panel asked the Democratic Services Manager to look at current practice in other local authorities in relation to the matters raised. The Panel met again on 18 November 2016 to consider the matter further.
- 5.3 The Panel had been asked to look at the carers’ allowance scheme and whether this, and travelling expenses, could be extended to cover ward work and the ‘casework’ duties of non-executive Champions.
- 5.4 The carers allowance is only payable in respect of ‘approved duties’ which are set out in Annex 1 and Annex 2 of the Members’ Allowance Scheme. These are the same duties for which Members can claim travelling expenses: formal meetings of Council, Committees and Task Groups and some other specified duties (attendance at Conferences/Seminars, Media Receptions, Scheduled formal meetings with the Chief Executive, Chief Officers or Trade Unions, Mayoral and public ceremonies approved by Council or one of its Committees).
- 5.5 In March this year, Councillor Joan Jackson had queried why Councillors could not claim for travelling expenses to attend parish council meetings in their wards. This was a similar issue to the one raised by Councillor Cozler, because attendance at parish council meetings is not on the list of ‘approved duties’ so expenses cannot be reimbursed.
- 5.6 The Panel noted that the list of ‘approved duties’ was for Council to determine and Panel members did not feel it was appropriate to make recommendations for changes to the list. Panel Members were informed that the role of a Champion had been created to raise the profile of a particular subject area, not to provide a direct service to members of the public. Councillor Cozler had reported that a significant amount of her ‘casework’ was assisting claimants to complete their Personal Independent Payments (PIPs) forms. The Panel recognised that the role definition of the Council’s Champions was not within the remit of the IRP and that the Democratic Services Manager would be best placed to report to Council with options to clarify the parameters of the Champions’ roles. The Panel were unable to make any recommendations regarding the extension of the carer’s allowance scheme and the payment of travelling expenses to cover the duties of Champions until it was clear that such duties were within the parameters of the Champions’ Roles.
- 5.7 The Panel asked whether consideration had ever been given to creating a Special Responsibility Allowance (SRA) for Champions. The Democratic Services Manager informed members that this had been considered by a previous IRP, who had decided not to recommend an allowance



but that could be reviewed. To assist the Panel to consider the creation of a Champions SRA, officers sought information from other councils and found that only three of the fifteen councils who responded to the request for information paid a SRA to their Champions. Of those three, only two were district councils, the other was Lancashire County Council. In view of this, and their concerns about the type of work being carried out, panel members decided not to recommend to Council that an allowance be paid to Champions.

6.0 ANNUAL INFLATIONARY INCREASE

- 6.1 The Panel considered information gathered from other local authorities regarding annual increases for inflation to basic and special responsibility allowances. Some councils had updated their scheme in line with National Joint Pay Award for employees; others had fixed the rate for four years from the date of the major review. One council had an annual adjustment mechanism of applying the staff pay award or the Consumer Price Index, whichever was the lower. Last year, the CPI was lower than 1% and Councillors at that authority agreed not raise their allowances.
- 6.2 The Panel debated recommending that the scheme be updated in line with the increase to staff pay, however they noted that the money paid to Councillors was an allowance, not a salary, and was intended to recognise a time commitment expected of Members and cover incidental costs. In view of this, Panel members did not feel it was appropriate to recommend an increase in Members' allowances for 2017/18.

7.0 CONSULTATION WITH MEMBERS

- 7.1 Panel Members wanted to seek feedback from Councillors on their report and draft recommendation not to propose any changes any changes to the scheme for 2017/18.
- 7.2 On 21 December 2016, the Democratic Services Manager emailed the draft report to all Elected Members for comments. Five Councillors responded in total, four with points about an annual increase, and one with comments about the role of Member Champions. Three Councillors were in favour of a 1% increase to the basic allowance with the possibility of incorporating an automatic annual increase equal to the lower of either the Consumer Price Index or the staff pay award. One Councillor appeared to be in favour of no change to the basic allowance. It was noted that the three Councillors in favour of an increase agreed that the allowance felt like a wage, with indications that this was heightened by the deduction of tax and national insurance payments (where applicable).
- 7.3 The Panel met again on 16 January 2017 to consider the feedback received and finalise their report. The Councillor who had commented about Member Champions was in favour of the Council tightening up the parameters of the role so that the Panel could then properly assess whether it merited a small special responsibility allowance. This comment was in tune with Panel members' recognition that the role definition of the Council's Champions was not within their remit and was an issue for Council to redefine.
- 7.4 Regarding an automatic annual increase, this was not a suggestion which had been put forward during the year and only three Councillors had responded to the draft report to raise the issue. It was again noted that the basic allowance paid to Councillors, although subject to deductions of tax and national insurance where applicable, was very defiantly an allowance and not a wage. In view of this, Panel Members felt that it was still appropriate to recommend to Council that no changes be made to the scheme for 2017/18. However, the Panel was required to carry out a full review of the Scheme in 2018 and intended, at that point, to look at the possibility of introducing a mechanism to review the basic allowance each year, in line with inflation.



7.5 Panel Members were keen to involve Elected Members in the review from the earliest stages, to listen to their suggestions and views on an annual increase as well as more fundamental issues such the structure of the special responsibility allowances. The Panel would be particularly keen to hear views about whether the current scheme could be improved to encourage candidates from under-represented groups to stand for election.

8.0 RECOMMENDATIONS

8.1 For the reasons set out above, the Panel recommends to Council that no changes be made to the Members Allowances Scheme for 2017/18.