

Report To: Lancaster City Council

From: The Independent Remuneration Panel



**Recommendations for Members' Remuneration
for the Municipal Year 2019/2020**

Report to Council on Wednesday 19th December 2018

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PANEL REMIT

- 1.1 Lancaster City Council's Independent Remuneration Panel (IRP) was established in accordance with Local Authorities (Members' Allowances) (England) Regulations 2003.
- 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 its IRP 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 three 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 has recently retired from his position as Registrar and Secretary of the University of Cumbria. He previously held posts in other Higher Education Institutions, the Department of Education and Science, and the National Curriculum Council.

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

- 2.2 One further Panel Member, **Ian Johnson**, was also appointed by Council on the 15th July 2015. Ian is a solicitor, who is currently Chairman Chair of University Hospitals of Morecambe Bay NHS Foundation Trust. He resigned from the Panel on 9th July 2018, partway through this review, due to increasing commitments with his NHS role.

3. BACKGROUND TO LANCASTER CITY COUNCIL SCHEME OF ALLOWANCES

- 3.1 The current Members Allowances Scheme is reviewed on a regular basis with a full review every four years, before the Council elections. The last full review took place in the autumn of 2014 and the Scheme was approved by Council in 2014 to take effect from May 2015.
- 3.3 This Panel has undertaken periodic reviews of the Scheme since their appointment in 2015 and reported their recommendations to Council in May 2016 and February 2017.
- 3.4 In February 2017 Council approved a 1% increase to the Basic Allowance for 2017/18 and the current Scheme took effect in May 2017.
- 3.5 The Regulations require an authority before the beginning of each year to 'make' the Scheme for the payment of allowances in that year.
- 3.6 The Regulations require an authority to publish the scheme if it changes and to publish the amounts of allowances paid to individual Members every year.

4.0 SUMMARY OF RECOMMENDATIONS

In accordance with its responsibilities under the Local Authorities (Members' Allowances) (England) Regulations 2003, the Independent Remuneration Panel (IRP) has reviewed the current scheme of allowances in place for Members of Lancaster City Council and makes the following recommendations, to be effective following the Lancaster City Council elections in 2019.

4.1 Basic Allowance

The Panel recommends:

- ***That the broadband allowance, of £173.88 (£14.49 per month), be incorporated into the basic allowance.***

- *That the basic allowance of £3,557.38, (current basic allowance of £3,383.50 plus £173.88 broadband allowance) be increased by 2%, to match the Local Government Pay Award of 2% awarded to Council employees in 2018. This will give a new basic allowance of £3,628.53, to take effect following the local elections to the city council in 2019.*
- *That the basic allowance be increased, year on year, in line with Employee Pay Awards, unless Council votes against an increase.*

4.2 Special Responsibility Allowances

The Panel recommends:

- *That an increase of 2% be applied to all Special Responsibility Allowances:*

Allowance	Current Amount (pa)	Proposed Amount (pa)
Leader of the Council and Chairman of the Cabinet	£11, 060	£11, 281.20
Deputy Leader of the Council	£6,530	£6,660.60
Cabinet Members	£5,530	£5,640.60
Overview and Scrutiny Committee Chair	£4,145	£4,227.90
Budget and Performance Panel Chairman	£3,315	£3,381.30
Planning Committee Chairman	£4,285	£4,370.70
Licensing Regulatory Committee Chairman	£4,285	£4,370.70
Licensing Act Committee Chairman	£715	£729.30
Licensing Act Hearings Sub Committee Chairman	£435	£443.70
Personnel Committee Chairman	£3,270	£3,335.40
Audit Committee Chairman	£2,280	£2,325.60
Appeals Committee Chairman	£290	£295.80
Council Business Committee Chairman	£1,400	£1,428
Standards Committee Chairman	£1,210	£1,234.20
Leader of Opposition Groups (allocated on a pro rata basis)	£5,530	£5,640.60

- *That the Council should continue to adhere to the established conventions that no member should receive more than one SRA and that no more than 50% of elected members should receive an SRA.*
- *That, before the next major review, detailed role profiles be drafted for each role qualifying for an SRA, to assist with future evaluation of responsibilities, complexity and time commitment.*

4.3 Dependents' Carers' Allowances

The Panel recommends

- ***That the existing levels of allowance should be increased to allow the reimbursement of up to a maximum of the current National Living Wage (currently £8.75 per hour).***

4.4 Travel and Subsistence Allowances

The Panel recommends

- ***that the current levels of allowance should remain unchanged and remain in line with HMRC guidelines.***

Type of Vehicle	First 10,000 miles	Above 10,000 miles
Cars and vans	45p per mile	25p per mile
Motorcycles	24p per mile	24p per mile
Cycles	20p per mile	20p per mile

4.5 ICT – Broadband Allowance

- 4.6 The current scheme provides for the provision of a broadband allowance which equates to £173.88 per annum.

4.7 Recommendation

The Panel recommends:

- ***That the broadband allowance be incorporated in full into the basic allowance, as per recommendation 4.1 above.***
- ***That the scheme be amended as follows, to reflect the withdrawal of the broadband allowance:***

2.0 BASIC ALLOWANCE

- 2.1 *Basic allowance is to be paid to all Members, and is intended to recognise a time commitment expected of all Members, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of homes and private telephones and broadband.*
- 2.2 *Each Member is entitled to £3,628.53 per annum, which will be paid monthly.*



2.3 *In addition to the Basic Allowance, all Members will be provided with a device to enable them to access the Council network. Members need to use their own broadband connection for such purposes, and the cost of this is included in the Basic Allowance.*

2.4 *In order to comply with the requirements of Data Protection legislation the Council will, in addition, pay for the registration of each Councillor under the Data Protection Act.*

4.8 Co-optees' Allowance

There are no co-optees currently, therefore the Panel has no recommendation to make in this report.

4.9 Pensions

The Panel recommends no change to the current arrangements regarding pensions.

4.10 Financial Implications

4.11 The current allowance scheme in 2017/18 cost £283,050.80 in respect of basic and special responsibility allowances, whilst the travel and subsistence allowances totalled £2,399.88 in the same year. (Broadband allowances which, based on 60 Councillors for a full year, would amount to £10,432.80 were not included in these figures.)

4.12 Based on the allowances claimed in 2017/18, the approximate cost of the recommended scheme for 2019/20, in respect of basic and special responsibility allowances, would be £300,841.66. (This figure includes the broadband allowance as part of the basic allowance, with the 2% increase applied.)

4.13 There is always the potential for costs to be slightly lower or higher than the above estimate. Costs are affected by seats left vacant whilst by-elections are held, for example, or if more than one Special Responsibility posts is held by the same Member.

5.0 APPROACH OF THE PANEL

5.1 Context

5.2 The Panel began its work in March 2018. The main priorities of the Panel have been to understand how Members view the Allowance Scheme, and how the scheme sits in the context of other comparable local authority Member's Allowances Schemes.

5.3 The Panel was keen to engage with Members from an early stage of the process and invited all Members to express their views on the suitability of the existing Members' Allowance Scheme. The Panel has considered these views in its final recommendations.

5.4 Methodology

5.5 The Panel undertook extensive research to enable it to fulfil its remit. This included:

- A review of the current Allowance Scheme to understand its history and rationale;
- A 'benchmarking' exercise against 11 comparable district/borough councils. This considered the Basic Allowance, the Special Responsibility Allowances for each Council and the size of the Council;
- A survey of all Members to understand the time they devote to their role as city Councillors and their special responsibility roles (where applicable). Of the 60 Members surveyed, 31 responded - a response rate of 52%. The survey asked Members how much time they spend fulfilling their duties as councillors and their views on the adequacy of the Basic Allowance and other allowances including the Special Responsibility Allowances.
- All Members who were eligible for a Special Responsibility Allowance, including Cabinet Members and Committee Chairman were invited to meet with the Panel to discuss their views on the Allowance Scheme to help the Panel gain a more in-depth understanding of the roles and responsibility of Members and to seek views on the pros and cons of the current Scheme. Champions and Group Leaders were also invited. The Members who met with the Panel are listed in Appendix 2 and the Panel is very grateful to them for their time and assistance;
- All Members were invited to a round table event with the Panel as an opportunity to put their views across the Panel. This event had to be cancelled because no Members expressed an interest in attending.

6.0 BASIC ALLOWANCE

6.1 Current Arrangements

6.2 All 60 Members receive a Basic Allowance of £3,383.50 per annum. In accordance with the Regulations, this allowance is intended to recognise the time commitment of

Members including the inevitable calls on their time such as meetings with officers and constituents. It is also intended to cover relevant incidental costs.

6.3 **Review**

6.4 The basic allowance is currently £3,383.50 per annum.

6.5 The last full review of the Scheme took place in 2014 prior to the City Council Elections in May 2015. Since then the Panel has undertaken interim reviews of the Scheme.

6.6 The Panel last reviewed the scheme at the beginning of 2017 and reported to Council in February 2017. In their report the Panel recommended that the Basic Allowances be unchanged from the sum of £3,350 which had been agreed by Council following the last full review in 2014. At that time Council did not support the Panel's recommendation and voted to increase the Basic Allowance by 1% to the current figure of £3,383.50 per annum, to take effect from May 2017.

6.7 The Panel were keen to engage with Members throughout the review and sought the views of Members as to the adequacy of the Basic Allowance through the Survey and interviews with individual Members.

6.8 31 Members completed the survey which asked for Members views on how much time they spent fulfilling their duties as Councillors and the adequacy of the Basic Allowance. 29% of those who responded to the survey felt that the allowance was adequate. Of the 71% of Members who felt that the allowance was inadequate their views were varied:

- concerns that the allowance precluded people in full-time employment standing for Council
- didn't sufficiently compensate for the time spent on council duties
- didn't sufficiently compensate for being on call all the time
- allowance at Lancaster City Council was low in comparison to other Councils.

6.9 These views were reiterated by the Members who attended individual interviews with the Panel in June 2018.

6.10 The Panel was also keen to understand how Lancaster City Council compared to other local authorities, particularly as a number of Members had expressed a view that their allowances were low in comparison to other Councils. The Panel undertook a benchmarking exercise which looked at the Basic Allowances of 11 district/borough councils locally, as well as further afield.

6.11 Following the benchmarking exercise the Panel noted that it was clear from this evidence that Lancaster City Council did pay low allowances compared to other authorities in the local area, though they were not the lowest. The Panel also noted that all the comparable authorities considered had between 35 and 54 councillors, all fewer than the 60 Members on Lancaster City Council.



- 6.12 Some Members expressed a view that they would support an increase in the Basic Allowance, but on the basis of a reduction in the size of the Council. While the Panel recognise that any consideration of the size of the Council is beyond their remit – it is a matter for the Boundary Commission - the Panel do feel it is appropriate that Members recognise that the relatively large size of the Council in the context of other local authorities may, in some way, be reflected in the relative value of their allowances.
- 6.13 The Panel considered the recent increases in the Basic Allowance and noted that apart from the 1% increase in 2017 the value of the allowance had remained static for a number of years. This had largely reflected the situation with local government staff wages over a similar time frame. The Panel were advised by the Democratic Services Manager that the most recent Local Government Pay Award had, generally speaking, increased staff salaries by 2% as of 1st April 2018.

6.14 Broadband Allowance

- 6.15 The Panel has previously reviewed the broadband allowance and in May 2016 recommended to Council that making provision for a separate broadband allowance was outdated and anomalous as the Basic Allowance was intended to cover incidental costs such as the use of home and private telephones but did not cover broadband which most households would now have. Also, administering two allowances separately was time consuming and resource intensive. Perhaps even more importantly, because it is paid as a separate sum, the amounts paid to Councillors for Broadband are not published with the basic and special responsibility allowances and the Panel feel that all allowances should be published in the interests of transparency. The Panel at that time recommended that the broadband allowance be withdrawn and the basic allowance be increased by £100 to mitigate to loss of this allowance. At that time Council did not agree with that proposal and the status quo was maintained.
- 6.16 For the reasons set out above, the Panel still feel that the separate broadband allowance should be incorporated into the basic allowance. In discussion with Members, several had indicated that immediately after the city council elections in May 2019 might be a more favourable time to make that amendment to the scheme. This time, the Panel is recommending that the broadband allowance be incorporated - in full - into the basic allowance before the 2% increase is applied, thereby providing a 2% increase on the broadband allowance, too.

6.17 Recommendation

- ***That the broadband allowance of £173.88 be added to the Basic Allowance.***
- ***That the Basic Allowance be increased be 2% to match the Local Government Pay Award awarded to staff in 2018 to £3,628.53.***
- ***That the Basic Allowance increase, year on year, in line with Staff Pay Awards, unless Council votes against an increase.***

7.0 SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

7.1 Current Arrangements

7.2 The current range of SRAs is as follows:

Allowance	Amount (pa)
Leader of the Council and Chairman of the Cabinet	£11, 060
Deputy Leader of the Council	£6,530
Cabinet Members	£5,530
Overview and Scrutiny Committee Chair	£4,145
Budget and Performance Panel Chairman	£3,315
Planning Committee Chairman	£4,285
Licensing Regulatory Committee Chairman	£4,285
Licensing Act Committee Chairman	£715
Licensing Act Hearings Sub Committee Chairman	£435
Personnel Committee Chairman	£3,270
Audit Committee Chairman	£2,280
Appeals Committee Chairman	£290
Council Business Committee Chairman	£1,400
Standards Committee Chairman	£1,210
Leader of Opposition Groups (allocated on a pro rata basis)	£5,530

7.3 Review

- 7.4 The SRA for Members were last considered by the Panel in their report in 2014. At that time there were no changes made to the Allowances.
- 7.5 The Panel considered the comments of Members, who were eligible for SRA, via the survey and the individual interviews with Members. The benchmarking exercise also gathered evidence on the SRA's paid by other councils.
- 7.6 Through the survey and from speaking to Members the Panel noted that there was no huge desire for the SRAs to be increased, however a number of Members felt that they were disproportionate to the Basic Allowances in term of time commitment. Others felt that it was unclear how the SRAs were calculated and that there was no obvious or transparent rationale behind the values for each one.
- 7.7 The Panel considered the levels of responsibility, workload and time commitment of the roles attracting SRAs. They also considered the benchmarking evidence from other authorities, which showed how some used multipliers or percentages to calculate their SRAs. However, the absence of any detailed role profiles for the roles receiving SRAs, and any clear comparison with other authorities meant that the Panel at this time felt

unable to make any substantive recommendation on the relative values of the allowances.

7.8 Recommendations

- ***The IRP recommends that the SRA's be increased by 2% in line with the recommended increase in the Basic Allowance for the year 2019/20.***
- ***The Panel recommends that the Council should continue to adhere to the established conventions that no Member should receive more than one SRA and that no more than 50% of elected members should receive an SRA.***
- ***The Panel recommends that detailed role profiles be prepared for each role qualifying for an SRA to assist with future evaluation of responsibilities, complexity and time commitment.***

8.0 CARERS' ALLOWANCES

8.1 Current Arrangements

8.2 The Council provides for the payment of a dependents' carers' allowance to Members who incur expenditure on the care of children aged 14 years and under, or other dependants whilst undertaking particular duties. The duties which qualify are set out in the Regulations.

8.3 The current scheme provides that *"The actual cost of care will be reimbursed, up to a maximum of £8.35 per hour, irrespective of the number of dependents"*.

8.4 Review

8.5 The Panel noted that most Members who response to the survey or attended the interviews did not use the carers allowance. However, it was noted by the Panel that some Members expressed a view that it was inadequate and that, in particular, they found it difficult to find suitable carers.

8.6 Recommendation

- ***The Panel recommends that the carers allowance be increased to allow reimbursement up to a maximum of the National Living Wage (currently £8.75).***

9.0 TRAVEL AND SUBSISTENCE ALLOWANCES

9.1 Current Arrangements

9.2 Arrangements are in place to enable members to claim the costs of travel and subsistence associated with undertaking approved duties.

9.3 Review

- 9.4 The Panel considers that the mileage rates payable for the use of cars/vans, motorcycles and cycles should remain aligned to the HMRC rates which are the same as for staff.

9.5 Recommendation

- *That the HMRC rates of travel allowances should apply:*

<i>Type of Vehicle</i>	<i>First 10,000 miles</i>	<i>Above 10,000 miles</i>
<i>Cars and vans</i>	<i>45p per mile</i>	<i>25p per mile</i>
<i>Motorcycles</i>	<i>24p per mile</i>	<i>24p per mile</i>
<i>Cycles</i>	<i>20p per mile</i>	<i>20p per mile</i>

10.0 CO-OPTEE'S ALLOWANCE

10.1 Current Arrangements

- 10.2 Each authority **may** also provide an allowance to any co-opted and appointed members of a council's committees or sub committees. No appointments requiring an allowance have been made.

10.3 Review

- 10.4 The Panel reviewed the current arrangements.

10.5 Recommendation

- *The Panel has no recommendation to make in this report.*

11.0 MEMBER CHAMPIONS

11.1 Current Arrangements

- 11.2 The Council currently has 4 Member Champions who do not currently receive a SRA. The role of Member Champions is outside the remit of the Panel but the Panel have considered whether a SRA should be applied.

11.3 Review

- 11.4 The Panel considered the role of Member Champions as part of their annual review which was reported to Council in February 2017. As part of this review the Panel met with a Member Champion and sought information from other Councils about whether they paid Allowances to their Champions. The Panel found that only three of the fifteen Councils who responded to the request for information paid a Special Responsibility Allowance 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, the Panel decided not to recommend to Council that an allowance be paid to Champions.

11.5 Recommendation

- ***The Panel does not recommendation the payment of Special Responsibility Allowances to Member Champions at this point.***

12.0 COSTS OF RECOMMENDATIONS

- 12.1 The Scheme of Members' Allowances currently in place cost £283,050.80 in 2017/18 plus a separate amount of £14.49 each month towards home Broadband for every Member entitled to receive this (i.e. for each household), which equates to around £10,300 per annum.
- 12.2 Based on the same distribution of allowances as 2017/18, the Scheme of Members' Allowances now recommended by the IRP would cost £300,841.66 in 2019/20 which includes the broadband allowance.

13.0 ACKNOWLEDGEMENTS

- 13.1 The IRP wishes to thank Debbie Chambers and Sarah Moorghen for their invaluable assistance and support during this review.

Appendix

Members Interviewed by the Panel

Councillor Jon Barry (Green) - Green Group Leader

Councillor Carla Brayshaw (Labour) - Planning and Highways Regulatory Committee Chairman

Councillor Dave Brookes (Green) - Budget and Performance Panel Chairman

Councillor Nathan Burns (Labour) - Cabinet Member for Skills, ICT, Digital Strategy, Customer Services and Communication

Councillor Bryning (Labour) - Audit Committee Chairman

Councillor Claire Cozler (Labour) - Appeals Committee Chairman

Councillor Nigel Goodrich (Conservative) - Chairman of Overview and Scrutiny Committee

Councillor Janice Hanson (Labour) - Cabinet Member for Regeneration and Planning

Councillor Colin Hartley (Labour) - Licensing Regulatory Committee Chairman

Councillor Brendan Hughes (Labour) - Cabinet Member for Community Safety, Clean and Green and Car Parking

Councillor Margaret Pattison (Labour) - Cabinet Member for Markets, Voluntary Sector, Older People and Rural Affairs