

Report To: Lancaster City Council

From: The Independent Remuneration Panel



**Recommendations for Councillors Remuneration
for the Municipal Year 2021/2022**

Report to Council on Wednesday 24th February 2021

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1.0 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 cabinet, chairing 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).*

2.0 PANEL MEMBERSHIP

- 2.1 There are currently three members on the panel:

Mr Ryan Hyde (Chair) was appointed to the Panel on 30th September 2020. Mr Hyde has a law degree and works as a Governance professional. He is currently also a member of Wyre Borough Council's Independent Remuneration Panel.

Mrs Harsha Shukla was appointed to the Panel on 15th July 2015. Mrs Shukla the President of Lancaster and Morecambe Hindu Society, and a member of the Faith in Lancaster Group and Communities Together.

Mr Ameer Hakim was appointed to the Panel on 29 July 2020 and is employed as an ICT/Finance professional in the finance sector. Mr Hakim is currently a Public Governor on the Board of Governors for University Hospitals of Morecambe Bay NHS Foundation Trust.

3.0 SUMMARY OF RECOMMENDATIONS

Several suggestions were made/issues raised by Councillors and the Head of Democratic Services. These were considered by Panel members (see paragraph 6 for details) and are reflected in their recommendations:

With regard to the Basic Allowance:

- (1) That the basic allowance be increased, year on year, in line with Employee Pay Awards, unless the IRP recommends otherwise. Should the IRP recommend otherwise, its recommendation will be put to Council at the appropriate time.***

With regard to Special Responsibility Allowances:

- (2) That the figure of £4,370.70 per annum be recommended to Council as the appropriate allowance for the Licensing Committee Chair;***
- (3) That £1,000pa be allocated for SRAs for the Council's Champions to be divided equally between serving Champions up to a cap of £250 each Champion per annum; and***
- (4) That all SRAs be reassessed during the full review in 2022/23.***

With regard to Travel Allowances:

- (5) That no change be made to the arrangements for travel outside the district and that Councillors be encouraged to use public transport wherever possible.***
- (6) That the list of approved duties remain as it is currently, without the addition of Champion's duties.***

4.0 BACKGROUND

- 4.1 The current Councillors' Allowances Scheme is reviewed on a regular basis whenever issues are raised, with a full review every four years, before the City Council elections. The last full review took place during 2018. All the recommendations of the IRP were approved by Council on 19 December 2018, with the revised scheme taking effect from May 2019.
- 4.2 The Regulations require an authority before the beginning of each year to 'make' the Scheme for the payment of allowances in that year. In light of this, the Panel was due to undertake an annual 'light touch' review for 2020/21, however when two members of the panel resigned following the last full review, the Panel became inquorate. Despite efforts to recruit, it was not possible to review the scheme for 2020/21.
- 4.3 On 29th July 2020, the Council appointed Mr Ameer Hakim. To assist with future recruitment, the Council also resolved:
- That £1,500 per annum be allocated for remuneration for Independent Remuneration Panellists to be divided equally between serving panellists up to a cap of £300 each per annum. **
- 4.4 In September, recruitment efforts proved successful and, with the recruitment of Mr Ryan Hyde, the Panel is now quorate once more. The new Panel met in November to consider any issues outstanding. This is the Panel's report and recommendations to allow the Council to 'make' its scheme for 2021/22.
- 4.5 The Regulations require an authority to publish its scheme if it changes and to publish the amounts of allowances paid to individual Members every year. The Head of Democratic Services arranges this.

5.0 APPROACH OF THE PANEL

5.1 Context

- 5.2 This was a 'light touch' review by a newly constituted Panel. It was not a full review; these are carried out every four years, the next one being due in Autumn 2022 to take effect after the City Council elections in May 2023. A full review would involve meaningful engagement with Councillors through interviews as well as benchmarking allowance schemes of similar sized district councils and other district councils in Lancashire.

5.3 Methodology

- 5.4 The Panel were issued with the current Councillors' Allowances Scheme for their information.
- 5.5 The Panel met via MS Teams on 27 November 2020 when the Head of Democratic Services provided information regarding the current Scheme's history and rationale.

* It should be noted that not all the Panel members claim the allowance offered.

- 5.6 Prior to the Panel meeting, the Head of Democratic Services had emailed all Councillors to ask if there were any issues that they wished the Panel to address, or any suggestions they would like the Panel to consider. Two responses were received raising four issues in total, as set out in the report.
- 5.7 In addition to the four issues raised, the Head of Democratic Services asked the Panel to consider the level of the allowance for the Chair of Licensing, for the reasons set out in paragraph 6.8 of this report.
- 5.8 For the reasons set out in paragraph 6.17, it was decided to hold a further meeting for interviews with the Council's Champions. This was held on 12 January 2021 and the Panel would like to thank the Council's Champions, Councillors Mel Guilding and Roger Dennison, for meeting remotely to discuss their roles.

6.0 ISSUES CONSIDERED

6.1 Basic Allowance

- 6.2 All 60 Members receive a Basic Allowance of £3,628.53 per annum. In accordance with the Regulations, this allowance is intended to recognise the time commitment of Councillors 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 On 19th December 2018, Council approved all the recommendations of the IRP including:
- *That the basic allowance be increased, year on year, in line with Employee Pay Awards, unless Council votes against an increase.*
- 6.4 The effect of this resolution is that when an Employee Pay Award is agreed, a report is put to Council asking Councillors to vote for or against a matching increase. A Councillor had suggested to the new Panel that any increase in line with an Employee Pay Award be applied automatically in future, without the need to refer back to Council for a vote.
- 6.5 IRP members considered this request at their meeting and concluded that there would be no necessity for this to be put to the vote in future, unless the IRP had reason to recommend otherwise. The Panel therefore makes the following recommendation with regard to the basic allowance:
- *That the basic allowance be increased, year on year, in line with Employee Pay Awards, unless the IRP recommends otherwise. Should the IRP recommend otherwise, its recommendation will be put to Council at the appropriate time.*

6.6 Special Responsibility Allowances (SRAs)

- 6.7 The current range of SRAs is as follows:

Allowance	Amount (pa)
Leader of the Council and Chair of the Cabinet	£11, 281.20

Deputy Leader of the Council	£6,660.60
Cabinet Members	£5,640.60
Overview and Scrutiny Committee Chair	£4,227.90
Budget and Performance Panel Chair	£3,381.30
Planning Committee Chair	£4,370.70
Licensing Committee Chair	£4,370.70
Licensing Act Hearings Sub Committee Chair	£443.70
Personnel Committee Chair	£3,335.40
Audit Committee Chair	£2,325.60
Appeals Committee Chair	£295.80
Council Business Committee Chair	£1,428
Standards Committee Chair	£1,234.20
Leader of Opposition Groups (allocated on a pro rata basis according to the policy set out in the scheme)	£5,640.60

6.8 The Panel was asked to consider the SRA made to the Chair of the Licensing Committee by the Head of Democratic Services, who explained that two former Committees (“Licensing Act” and “Licensing Regulatory”) had been merged into one “Licensing Committee”, during a review of the Constitution. This had taken place when the IRP was inquorate, therefore the higher of the two SRAs had been paid to the Chair of the new Licensing Committee without reference to a quorate Panel. The Head of Democratic Services explained that the Licensing Committee Chair’s allowance was the same as the SRA for the Chair of Planning, which seemed equitable, however the Panel was asked for its views, to allow Council to formally determine the SRA. The Panel is satisfied that the allowance for the Licensing Committee Chair should match that of the Planning Committee Chair.

6.9 A further suggestion had been received to request that SRAs be increased automatically in line with any Employee Pay Awards, in the same way as the basic allowance, to hold their value. However, the Panel feel that SRAs should be re-assessed during the full review due during 2022.

6.10 The Panel recommends:

- ***That the figure of £4,370.70 per annum be recommended to Council as the appropriate allowance for the Licensing Committee Chair; and***
- ***That all SRAs be reassessed during the full review in 2022/23.***
- ***(see also paragraph 6.18 below, regarding Champions)***

6.11 Travel Allowances

6.12 The Scheme sets out arrangements to enable members to claim the costs of travel and subsistence associated with undertaking approved duties.

6.13 Two suggestions had been submitted for consideration. One was to allow Councillors to use their cars and claim 45p per mile mileage for journeys outside the district when public transport is not convenient or available to certain destinations. Currently the policy states that “for journeys outside the Council’s administrative area, the lower of

the mileage allowance or the relevant standard class rail fare will be paid". The policy also states that taxi fares will be reimbursed plus any reasonable gratuity paid, "in cases of urgency or where there is no reasonably available public transport." This covers instances where a train station is some distance away from a destination.

- 6.14 The Panel feel that the Scheme has more than adequate provision for reimbursement of travel outside the district. Panel members agree that the use of public transport should be encouraged, rather than car use. The exception to this being a car-sharing arrangement if the cost of taking one car would be lower than the cost of several train fares. The current Scheme does allow for this.
- 6.15 The second suggestion was to extend the list of 'approved duties' at Annex 1 and 2 of the Scheme to include 'Champions duties'. The Panel note that the list of approved duties is very limited and quite specific and that approved duties must be 'formally structured and diarised elements of Council business.' In view of this Panel members feel that 'Champions duties' is too vague to be included.
- 6.16 When considering this issue of Champions, the Panel felt that, if a Champion's role demanded significant travel out of the administrative area of the Council, there could be a case to be made for a Special Responsibility Allowance for that role to help with any associated costs. Panel members extended an invitation to the current Champions to discuss their role and the case for recommending a SRA.
- 6.17 On 12 January 2021, the Veterans' Champion and Disability Champion both met remotely with two Panel Members to talk about their role.
- 6.18 It is clear to Panel Members that both the Council's Champions are passionate and enthusiastic about the areas they work in. They each have significant knowledge and expertise in their roles and act as the Council's 'ambassadors' for their specialist area. Champions also bear some costs, such as travelling expenses which cannot be claimed back under the Scheme as described in paragraph 6.15 above, which could leave them out of pocket. This seems unfair; therefore Panel Members recommend that a modest SRA of £250 per annum be paid to Champions. In making this recommendation, the Panel notes that this is not out of the ordinary; other Councils also attach a small SRA to Champion roles in recognition that they carry the responsibility of an ambassador-style role and that this can entail additional expenditure.
- 6.19 However, the Panel are mindful that, should the Council decide to expand the number of Champions in the future, SRA expense would grow. In view of this, the Panel recommend that there be a cap on the SRA budget for Champions of £1,000 per annum. Effectively, this means that £250pa will be paid to each Champion unless the Council appoints more than four Champions. If there are more than four Champion roles at any point in the future, the £1,000pa total will be divided equally between the serving Champions.
 - ***That no change be made to the arrangements for travel outside the district and that Councillors be encouraged to use public transport wherever possible.***
 - ***That the list of approved duties remain as it is currently, without the addition of Champion's duties.***

- ***That £1,000pa be allocated for SRAs for the Council's Champions to be divided equally between serving Champions up to a cap of £250 each Champion per annum.***

7.0 Financial Implications

- 7.1 The Panel is not recommending any significant increases in allowances. The Scheme states that no Councillor may claim more than one SRA at any time. Currently one of the Council's Champions is also a Licensing Sub-Committee Chair, so would continue to claim that allowance, leaving one of the two Champions allowances unclaimed. There would be an additional financial implication of £250pa for the Council in 2021/22 if these recommendations are approved. In any event, there is always the potential for costs to be slightly lower or higher than the estimated budget for 2021/22. Costs are affected by seats left vacant whilst by-elections are held, for example, or if more than one Special Responsibility post is held by the same Member.