

Report To: Lancaster City Council

From: The Independent Remuneration Panel



**Recommendations for Members' Remuneration
for the Municipal Year 2025/26**

Report to Council on Wednesday 11 December 2024



REMIT OF THE PANEL

- 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 five Panel members:

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.

Mr Ameer Hakim was appointed to the Panel on 29 July 2020 and is employed as an ICT/Finance professional in the finance sector..

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.



Miss Monica Law was appointed to the Panel on 24th July 2024. Miss Law retired in 2022 from a long career in Local Government with Liverpool City Council. She currently serves on the IRP for both unitary authorities in Cumbria as the Chair of the Panel in Cumberland and a member of the panel in Westmorland and Furness and is a member of the IRP for Liverpool City Council.

Mr Jerzy (George) Krawiec was appointed to the Panel on 24th July 2024. Mr Krawiec is a retired local authority Chief Executive and solicitor with over 20 years' experience as a Chief Executive at three different authorities. He is now a Governor at 2 schools in Lancaster and Morecambe.

3.0 BACKGROUND TO LANCASTER CITY COUNCIL'S SCHEME OF ALLOWANCES

- 3.1 The Councillors' Allowances Scheme is reviewed every year, with a comprehensive review every four years, before the Council elections.
- 3.2 The last review was reported to Council on 24 January 2024 and the Panel's recommendations to increase the Basic Allowance, the Special Responsibility Allowances (SRAs) including the Mayor/Deputy Mayor allowances, were approved. The recommendation to reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation was also approved by Council.
- 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 scheme if it changes and to publish the amounts of allowances paid to individual Members every year.

4.0 SUMMARY OF RECOMMENDATIONS

A summary of the recommendations is set out below. The rest of the report sets out the methodology, findings and rationale behind each recommendation.

With regard to allowances:

- (1) *That the Basic and Special Responsibility Allowances (including the Mayor/Deputy Mayor allowances) be increased by 2.5%, as detailed in the report, with effect from 6 April 2025.***

Regarding Dependents Carers Allowance:

- (2) *To reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.60 per hour).***

With regard to Travel and Subsistence Allowances:



- (3) *No change is recommended to the Travel Allowances. The current levels of mileage allowance are in line with HMRC guidelines.***
- (4) *That subsistence allowances will be considered during the next full review of the Scheme, due to be carried out prior to the 2027 elections.***

5.0 INTRODUCTION

- 5.1 The Panel began its review in October 2024, requesting information regarding the current cost of the allowances scheme at Lancaster City Council and the levels of allowances in other Councils in Lancashire for comparative purposes. At that point the Pay Award for Local Government employees had not been agreed. The Pay Award is a relevant factor which informs the Panel's consideration of any increase in levels of the Councillors' allowances.
- 5.2 The Panel is always keen to hear from Councillors. For this review, two Panel Members heard from Councillor Potter regarding Cabinet Members' travel expenses in 17 April 2024 and from Councillor Sally Maddocks regarding her experiences as a Councillor with disabilities on 19 November 2024. The Panel gave consideration to the representations made by both Councillors and wish to thank them for taking the time to put their views.

6.0 BASIC ALLOWANCE

6.1 Current Arrangements

- 6.2 Each Lancaster City Councillor is entitled to receive a Basic Allowance of £4,326 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. ***It is important to recognise that this is an allowance, not a salary or wage. It is not appropriate to compare an allowance to a salary or hourly wage.***

6.3 Review findings and Recommendations

Basic and Special Responsibility Allowances

- 6.4 The Panel last reviewed the scheme at the end of 2023 and reported to Council on 24 January 2024. In their report, Panel Members recommended that the Basic Allowance be increased in line with the employee pay award. This is a common approach taken by Lancaster City Council's IRP and many others.
- 6.5 Following a benchmarking exercise this year, the Panel note that it is clear from the rates paid by other authorities that Lancaster City Council do not pay the highest allowances, nor the lowest.
- 6.6 The Panel wish to recommend an increase that is in some way comparable to the staff pay award for 2024/25. The pay award was agreed in November 2024 as a flat figure, rather than a percentage increase, with the agreed figure of £1,290 equating to 5.77% for the lowest paid. Staff earning higher wages (salaries at Spinal Column Point 44 or above) received a percentage increase of 2.5% rather than the flat figure of £1,290.
- 6.7 The Panel feel that recommending a rise in the basic allowance of £108.15 per annum from £4,326 per annum to £4,434.15 per annum (which equates to a 2.5% increase) is fair, given that the Council is facing financial difficulties.

- 6.6 The Panel is also keen to make sure that SRAs, including the allowances related to the Mayoralty, do not fall behind and therefore recommends that these also rise by 2.5% on 6 April 2025. The recommended amounts are shown below:

Role	Current Allowance (pa)	Recommended Allowance (pa)
Leader of the Council and Chair of Cabinet	£11,619.64	£11,910.13
Deputy Leader of the Council	£6,860.42	£7,031.93
Cabinet Members	£5,809.82	£5,955.07
Overview and Scrutiny Committee Chair	£4,354.74	£4,463.61
Budget and Performance Panel Chair	£3,842.74	£3,938.81
Planning Committee Chair	£4,501.82	£4,614.37
Licensing Committee Chair	£4,501.82	£4,614.37
Licensing Act Hearings Sub Committee Chair	£457.01	£468.44
People and Organisational Development Committee Chair	£3,435.46	£3,521.35
Audit Committee Chair	£2,395.27	£2,455.15
Appeals Committee Chair	£304.67	£312.29
Council Business Committee Chair	£1,470.84	£1,507.61
Standards Committee Chair	£1,234.20	£1,265.06
Leader of Opposition Groups (allocated on a pro rata basis)	£5,809.82	£5,955.06
Champions - £1000 (maximum) allowance to be divided equally between serving 'Champions' to a cap of £263.94 each Champion per annum. There are currently two Champions (Armed Forces Champion and Champion for Disabilities)	£1000.00 MAX	
Mayor	£6,921.60	£7,094.64
Deputy Mayor	£1,375.05	£1,409.43

Recommendation:

- (1) *That the Basic and Special Responsibility Allowances (including the Mayor/Deputy Mayor allowances) be increased by 2.5% effect from 6 April 2025.*

7.0 DEPENDENTS CARERS' ALLOWANCES

Current Arrangements

- 7.1 The Council provides for the payment of a dependents carers' allowance to Councillors in respect of care for 'dependent relatives' living with the Councillor whilst they are undertaking approved duties. The definition of 'dependent relatives' is set out in the Constitution, as is the list of approved duties for which the allowance can be claimed.



7.2 The current scheme provides that the actual cost of care will be reimbursed up to the maximum hourly rate of the Real Living Wage, as determined by the Living Wage Foundation, irrespective of the number of dependents. When the scheme was last reviewed the hourly rate was £12.00 per hour. It is now £12.60 per hour.

7.3 Review

7.4 The Panel note that the carers allowance is used very infrequently at Lancaster City Council. However, Panel Members feel it is important to keep it at an appropriate level, should Councillors need to make use of it.

Recommendation:

(2) To reconfirm that the Dependents Carers Allowance should allow for reimbursement up to the maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.60 per hour).

8.0 TRAVEL AND SUBSISTENCE ALLOWANCES

8.1 Current Arrangements

8.2 Arrangements are in place to enable members to claim the costs of travel and subsistence associated with undertaking approved duties within the district. Any travel outside the district is arranged via Democratic Support, using public transport wherever feasible and where it will be the most economical option.

8.3 Review

8.4 The Panel considers that the mileage rates payable for the use of cars/vans, motorcycles and cycles should remain aligned to the HMRC rates, shown in the table below. The rates are the same for staff. Earlier in the year representations were made to the Panel regarding the need for Cabinet Members to travel more frequently, either to meet with officers informally or with partner organisations; these meetings were not included in the 'approved duties' list. The Panel accepts that some Cabinet Members may incur extra expenditure if they attend face to face meetings which are not covered by 'approved duties'. However, Panel Members feel that any such costs should be adequately covered by the Special Responsibility Allowance payable by Cabinet Members.

<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>



- 8.5 The Panel does feel that the rates of subsistence in the current scheme are quite low, however on checking with staff rates and also a spot check of other authorities, they all seem similarly low. However, this is definitely something the Panel will pick up in their full review of the scheme, due to take place before the 2027 elections.

Recommendation

- (3) *No change is recommended to the Travel Allowances. The current levels of mileage allowance are in line with HMRC guidelines.*
- (4) *That subsistence allowances will be considered during the next full review of the Scheme, due to be carried out prior to the 2027 elections.*

9.0 CO-OPTEE'S ALLOWANCE

- 9.1 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 are made at Lancaster City Council, therefore the Panel have no recommendations to make regarding allowances for Co-optees.

10.0 COSTS OF RECOMMENDATIONS

- 10.1 The Scheme of Councillors' Allowances currently in place cost £355,748.61 in 2023/24, the last year where final figures are available. This was made up of £253,580.64 basic allowances, £91,670.59 SRAs, £8,297.20 Mayoral Allowances and £2,200.18 Travel/Subsistence.
- 10.2 Based on 61 Councillors, the Scheme of Members' Allowances now recommended by the IRP would increase basic and SRAs by approximately £8,631.28 in 2024/25. Mayor/Deputy Allowances would increase by £207.43. There would be no effect on travel/subsistence costs which vary from year to year.
- 10.3 There is always the potential for the cost of the Councillors' Allowances Scheme to be slightly lower or higher than estimated each year. 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.

ACKNOWLEDGEMENTS

The IRP wishes to thank the Councillors who took the time to meet with them on Teams, Councillor Potter and Councillor Maddocks.