



WEST LANCASHIRE BOROUGH COUNCIL

**REPORT OF THE INDEPENDENT REMUNERATION PANEL
ON MEMBERS' ALLOWANCES**

20 NOVEMBER 2019

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REVIEW OF MEMBERS' ALLOWANCES FOR WEST LANCASHIRE BOROUGH COUNCIL – 2020/21

1. Membership

1.1 The Local Government Act 2000 requires local authorities to establish an Independent Remuneration Panel to review and report to the Council on the Members' Allowances Scheme. Following public advertisement and interview we are the current members of the Panel.

1.2 We are: -

- 1 Gail Stanley – Resident of Ormskirk (Chairman of the Panel);
- 2 Jeremy Boardman - HR Business Partner of Burscough; and
- 3 Ian Thompson - retired former police officer now working in the charity sector of Aughton.

1.3 We have been assisted in our deliberations by an external local government consultant, Mike Dudfield.

2. Panel's Terms of Reference

2.1 The Council set us the following terms of reference:

- 1 To make recommendations to the Council as to the amount of basic allowance which should be payable to elected members.
- 2 To make recommendations to the Council about the roles and responsibilities for which a special responsibility allowance should be payable and the amount of each such allowance.
- 3 To make recommendations as to whether the Council's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependents and, if it does make such a recommendation, the amount of this allowance and the means by which it is determined.
- 4 To apply Best Value principles in relation to the allowances under consideration.

3. Legislative Position

- 3.1 The local government legislation requires a full review of Members' allowances to be undertaken at least every four years. This is the fourth year since we last undertook a full review and this report follows a review of all aspects of the current Scheme of Allowances.

4. Background

- 4.1 In undertaking this year's full review we had available all the information that we had at the time of the last full review, December 2015, the information available to us at the review meetings held in 2016-2018, up-to-date information of allowance schemes operated by other Lancashire Districts and replies from each of the current Group Leaders with their views of the present scheme.

5. Basic Allowance

- 5.1 In previous reports we have indicated our acceptance that the principle for the original introduction of a Basic Allowance was to recognise the work undertaken by Councillors in all their roles, rather than just attendance at meetings, which had been the calculator for the previous regime. Whilst it is easy to measure attendance at meetings, we can understand that many members of the public do not appreciate the extent of time that Members do spend on Council duties outside the meeting rooms. The guidance from the Local Government Associations has always been that the allowance was not intended to be an income but was designed to ensure that Councillors did not suffer financial hardship as a consequence of becoming a Councillor. This protects the ability for a cross-section of the public to apply for office as a councillor. Other public sector payment schemes do not show any discount to reflect the voluntary nature of the position whilst maintaining the protection of those who would suffer financial hardship and it is therefore difficult to seek to draw comparisons with such schemes.
- 5.2 Prior to the establishment of the Panel in 2002, the Council had engaged consultants, Don Latham Associates, who reported to the Council in March 2000 on the level of workload of Councillors under the new leadership provisions established by the Local Government Act 2000. Their report recommended a Basic Allowance of £4,725 with inflationary increases in subsequent years and that recommendation was agreed by the Council.
- 5.3 The initial view taken by the Panel was to continue with the principles adopted by the consultants and agreed by the Council at that time. In the intervening years the Panel undertook various exercises and information gathering sessions with Councillors but nothing has suggested to us that it would be appropriate to change the basis of the original principles that had been adopted.

- 5.4 At the beginning, the Panel was aware that the Basic Allowance at West Lancashire was the highest of the Shire Districts in Lancashire and we mentioned this fact in our first report for the year 2002/03. That appears to have been taken into account by the Council as the Panel's initial recommendation of £5,040 (following the Latham recommendation with inflationary uplift) was reduced to £4,610. The current allowance is £4842. We have continued to advise the Council of the fact that the Basic Allowance is still the highest of the Lancashire Shire Districts although the margins have reduced and the current average is much higher than in 2002/03. There appears to be no specific reasons why other authorities have the levels that they do and there are a variety in population levels and the number of Councillors. None of these or the statistics that flow from any sort of comparative exercise lead to any form of justifiable conclusion as to the level of allowance that should be paid.
- 5.5 We asked the three Group Leaders to let us have their views on the present allowances scheme. In respect of the Basic Allowance, Councillor Moran did not feel that any change was required; Councillor Westley felt that the level was appropriate and whilst he acknowledged that the level was higher than neighbouring District Councils, he felt that the apportionment of the allowances scheme as a whole was fairer than in a number of neighbouring districts. Councillor Westley produced details comparing West Lancashire with Chorley, Fylde, Lancaster, South Ribble and Wyre which showed, in all but one case, higher SRAs which brought the overall cost of allowances much closer to that of West Lancashire. Councillor Owens repeated a view, which he had expressed to the Panel in the previous full review, that the Council ought to adopt a system which tracked the average allowance level for all Lancashire Councils and applied the resultant average figure to West Lancashire. He produced a table which resulted in an average of £3924.20.
- 5.6 The Panel does not consider political matters in reaching its conclusions but we are appointed as a public watchdog and have to take into account the fact that many people in the local community are having to deal with the effects of a number of years of Government austerity measures. Councillor Owens' proposal was considered by us four years ago. The Government in 2000 felt that it was for each local authority to establish its own allowances scheme and we were not satisfied then that his proposal properly took into account the rationale for any authority's levels of allowances but that it was just an average which would vary each time any Lancashire authority makes an alteration to its scheme rather than a change relating to the specific circumstances applying in West Lancashire. Nothing in his response has changed our view on that.
- 5.7 Councillor Moran has drawn our attention to an Electoral Review that is to be undertaken and states that a review of allowances should be undertaken following any changes from the Review. We will consider those changes if and when they arise.

- 5.8 Having considered all of the above, we recommend that, for 2020/21, the Basic Allowance should remain at £4,842 and that the figure should be fixed for four years with the right for the Council, in any year, to request the Panel to consider an increase. The Panel would expect specific reasons to be put forward in support of such a request.

6. Special Responsibility Allowances

- 6.1 Since the acceptance of the Latham report, SRAs have been calculated as a percentage of the Basic Allowance.
- 6.2 Councillors Moran and Westley agree with that basis and do not feel there are any circumstances which warrant reviewing the individual responsibilities of those in receipt of an SRA. Councillor Owens accepts that the basis has the advantages of ease of administration and understanding. His Group would be opposed to any increase in the total SRAs paid.
- 6.3 Both Councillors Moran and Owens make reference to the Sustainable Organisation Review Project which is intended to create an enhanced strategic role expected of Members from April 2020. Councillor Moran says that we should be aware of the change whereas Councillor Owens states that there is no evidence that the relationship between Councillors and Officers will be significantly different under the new structure. We have considered the present SRAs based on the roles currently undertaken by SRA recipients. Should there be any change in the immediate or short-term future we would expect that matter to be referred to us so that we may investigate it and make appropriate recommendations to the Council. We have not considered the Project report in making our recommendations in this report.

7. Childcare and Dependent Carer's Allowance

- 7.1 This allowance currently is set at £6 per hour with the Council having the power in special circumstances in a specific case to pay a higher rate. Neither Councillor Moran nor Councillor Westley feel that the amount requires revision whereas Councillor Owens accepts that it is very rarely claimed but would support the allowance being paid at the living wage hourly rate, currently £9.30 per hour.
- 7.2 As the Council supports the principle of the Living Wage this allowance should be aligned to that and automatically reviewed in line with annual increases in the Living Wage.

8. Travelling and Subsistence Allowances

- 8.1 This is aligned to the staff Allowances Scheme. None of the Group Leaders see

any reason to change this. The Panel feels that is right.

9. Other Allowances

- 9.1 The Panel considered the level of allowance to be given to the two newly appointed Parish Council Representatives on the Standards Committee and agreed that the amount should be set at the same level as the IRP Members, currently £250.

10. Summary of Recommendations for 2020/21

- 10.1 We recommend that the Council's Scheme of Allowances for 2020/21 should be as follows -

Basic Allowance - to remain at £4,842 and the figure to be fixed for four years with the right for the Council, in any year, to request the Panel to consider an increase. The Panel would expect specific reasons to be put forward in support of such a request.

Special Responsibility Allowances - these to remain the same as the current allowances.

Childcare and Dependent Carers' Allowance – this to be increased to align with the current rate for the time being of the Living Wage, currently £9.30 per hour.

Travelling and Subsistence Allowances – these to remain as in the current Scheme.

That the two appointed Parish Council representatives on the Standards Committee each receive an allowance of £250 for the year, in recognition of their role on the Committee.

Gail Stanley

Jeremy Boardman

Ian Thompson