



**WEST LANCASHIRE BOROUGH COUNCIL**

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

**21 FEBRUARY 2024**

## **REPORT OF THE INDEPENDENT REMUNERATION PANEL**

### **REVIEW OF MEMBERS' ALLOWANCES FOR WEST LANCASHIRE BOROUGH COUNCIL – 2024/25**

#### **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.

1.3 We have been assisted in our deliberations by an external independent Legal Advisor, Mr Simon Goacher, Weightman's Solicitors.

#### **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 considered the current level of allowance, comparisons from other district authorities who have adopted a Committee Style of governance arrangements and representations from each of the current Group Leaders.

### **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.
- 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 in 2023/24 is £4842, an increase of £232 over 21 years. Following previous comparisons with other Lancashire Authorities 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. All three Group Leaders suggested an increase in the Basic Allowance for the following reasons:

- the reduction in the number of Councillors from 54 to 45 and increase in the size of Wards, following the Boundary Review, which has led to an increase in workload
- the cost of living crisis, to ensure that Councillors did not suffer financial hardship as a consequence of becoming a Councillor
- Increase in workload generally for Councillors from other factors such as a reduction in Council staffing levels, increased contact through social media etc.

5.6 The Panel does not consider political matters in reaching its conclusions, 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 high inflation and the cost-of-living crisis.

5.7 Having considered all of the above, we recommend that, for 2024/25, the Basic Allowance should be increased by £108, to £4,950 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 We asked the three Group Leaders to let us have their views, particularly in relation to any changes required following the change in governance arrangements from a Leader & Cabinet model to a Committee System. All three Group Leaders agreed that there should be no change to the rates of the following:

- Chairman - Licensing & Appeals Committee
- Chairman – Licensing & Gambling Committee
- Chairman – Planning Committee
- Chairman – Audit and Governance Committee

And that only 1 SRA should be paid to individual Members.

- 6.3 All three Group Leaders agreed that the rate of SRA for the Chairman of Policy & Resources Committee should be 50%, which the Panel agree with.
- 6.4 Consideration was given to the current rate of SRA given to the Leader and Deputy Leader and whether there would a reduction in the work and responsibilities of these positions with the loss of Executive Powers when moving to a Committee system, however it was felt that the role of these posts were much broader and the loss of those powers would not affect the level of SRA provision and should therefore remain at the same rate.
- 6.5 All three Group Leaders agreed that there should be no increase in the rate given to the Opposition Group Leader and the Opposition Group Deputy Leader and it was therefore agreed that this rate should remain the same. Consideration was also given to the qualifying number ie. 'if a Group comprises 5 or more Members' and whether this number should be reduced to 4, to reflect the reduction in the overall numbers on the Council. No change is recommended in respect of the qualifying number for the 2024/25 Scheme; however, a review would be undertaken later in the year by the Panel.
- 6.6 The Panel was asked to consider an SRA for Lead Members from the Labour Group Leader, as it is intended that these roles would be established under the new Committee arrangements. The Panel noted that these roles had been established in some other authorities that operate a Committee system, which had also attracted an SRA for those additional responsibilities. Following consideration of the views expressed by all three group leaders, the Panel recommend that an SRA for Lead Members should be established at the rate of 100% of the Basic Allowance.
- 6.7 The Panel was asked to consider an SRA for Councillors who are members of the following Committees (not the Chairman or Vice-Chairman): P&R; Planning; Licensing (x2); and A&G, from the Our West Lancashire Group Leader. The Panel felt that such an allowance would not be appropriate.

## **7. Childcare and Dependent Carer's Allowance**

- 7.1 This allowance currently is set at the rate of the National Living Wage, currently £10.42 per hour and increasing to £11.44 per hour from 1 April 2024, with the Council having the power in special circumstances in a specific case to pay a higher rate. The Deputy Labour Leader asked the Panel to consider that as the Council supports the principal of the 'Real' Living Wage, that this allowance should be aligned to that and then that rate should be multiplied by 1.5 given that attendance at most meetings are in the evening.
- 7.2 The Panel recognise that these allowances are rarely claimed but would accept the revision to the allowance being aligned to the 'Real' Living Wage, £12 from April

2024, rather than the National Living Wage and automatically reviewed in line with annual increases. Further consideration would be given to the multiplier of 1.5 later in the year.

## **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 views of the Group Leaders were sought in respect of other Allowances. All three Group Leaders agreed that no change should be made to the level of allowance to be given to the two Parish Council Representatives on the Standards Committee, the Mayor and the Deputy Mayor in 2024/25. The Panel agreed, however a review of the Mayor and Deputy Allowances would be undertaken later in the year.
- 9.2 The Panel was asked to consider an increase of £25 for the Standards Committee Independent Persons and an increase of 10% for the Independent Remuneration Panel/Parish Remuneration Panel Members, by the Conservative Group Leader. The Panel agree that these increases are not required.

## **10. Summary of Recommendations for 2024/25**

- 10.1 We recommend that the Council's Scheme of Allowances for 2024/25 should be as follows -

Basic Allowance - to be increased by £108, to £4,950, 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:

(a) That it be noted that the following allowances will be removed:

- Cabinet Members (up to 8)
- Chairman of Overview & Scrutiny Committees (x2)

(b) These to remain the same rate as the current allowances:

- Leader
- Deputy Leader
- Opposition Group Leader (min. 5 members)
- Opposition Group Deputy Leader (min. 5 members)
- Chairman – Licensing & Appeals Committee
- Chairman – Licensing & Gambling Committee
- Chairman – Planning Committee
- Chairman – Audit and Governance Committee

(c) These to be established:

- Lead Members (up to 10) 100% of Basic Allowance
- Chairman – Policy & Resources 50% of Basic Allowance

Only 1 SRA per individual Councillor

Childcare and Dependent Carers' Allowance – this to be increased to align with the current rate of the 'Real' Living Wage, currently £12.00 per hour.

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

Other Allowances – these to remain as in the current Scheme.

**Gail Stanley**

**Jeremy Boardman**

**Ian Thompson**