

Westmorland and Furness Shadow Authority Meeting

17 May 2022

Members' Allowances and Appointment of Independent Remuneration Panel

Report from:	Linda Fisher – Technical Lead Legal and Democratic Work Stream and Monitoring Officer (South Lakeland District Council)
Report Author:	Nicola Hartley, Head of Corporate Governance and Legal, Monitoring Officer
Wards:	All
Key Decision:	No

1.0 Purpose/Summary of report

1.1 The Cumbria (Structural Changes Order) 2022 states at Article 10 that the shadow authority for Westmorland and Furness must formulate proposals for the scheme of members allowances to be adopted by Westmorland and Furness Council. The LGR Independent Remuneration Panel, (IRP) proposed a scheme of member allowances for the Shadow Authorities for consideration by the Joint Committees for both Cumberland and Westmorland and Furness. The Westmorland and Furness Joint Committee will consider the scheme on 10 May 2022.

2.0 Recommendation

2.1 It is recommended that

The Westmorland and Furness Shadow Authority :-

- (1) Consider the recommendations of the Independent Remuneration Panel and the Scheme of Member Allowances which it has proposed (Appendix 1) to be adopted for the Shadow year with effect from 9 May 2022; and**
- (2) To authorise the Interim Monitoring Officer to advertise the recruitment of an Independent Remuneration Panel of 5 members for the Council to consider a scheme of members allowances to be adopted by Westmorland and Furness Council post vesting day 1 April 2023**

3.0 Background and Proposals

- 3.1 The Cumbria (Structural Changes) Order 2022 provides that the Westmorland and Furness Council Shadow Authority must prepare and adopt a scheme for the payment of allowances to its Members. It also provides that the Local Authorities (Members' Allowances) (England) Regulations 2003 shall apply in relation to the Shadow Authority.
- 3.2 The 2003 Regulations provide that before an authority makes a scheme for Members allowances it shall have regard to the recommendations made by an Independent Remuneration Panel.
- 3.3 An experienced Independent Remuneration Panel, representing all 7 Cumbrian councils and consisting of six members who had previously taken on the role at the existing borough and county councils, held a scheduled series of meetings to consider a Member Allowance scheme for the new Westmorland and Furness Council. To assist with their deliberations, the IRP were sent a briefing pack in advance of their first meeting, and were supplied with details of the existing District and County members' allowance schemes and also the schemes of four Unitary Councils who have in recent years also been through an LGR process.
- 3.4 From the discussions the IRP members held, they were confident their approach of one Member Allowance scheme was appropriate and a good starting position for both new Shadow Authorities of Cumberland and Westmorland and Furness. The IRP were also aware that the Shadow Authorities would be appointing their own IRP to review the allowances for 2023-24 in readiness for the two new unitary councils at vesting day, April 2023.
- 3.5 Having considered both the information made available and having regard for the number of newly elected Members forming the Westmorland and Furness Shadow Authority, the IRP decided and agreed that North Northamptonshire Council was of a comparable size in terms of Member ratio to constituents and therefore their Member Allowance scheme was used as a guide.
- 3.6 The Member Allowance Scheme (appendix 1) proposed and recommended for Westmorland and Furness is also the scheme proposed to Cumberland in line with the IRP agreed principal of one scheme being drawn up to be put forward to each Shadow Authorities. Although the two Shadow Authorities may vary in Member size, the duties, responsibilities and work to be undertaken by both is the same as prescribed within section 3 of the Cumbria Structural Changes Order 2022, Part 3, Shadow Authorities.
- 3.7 The Panel also considered the prospective work and duties of the Shadow Authority in the period to 31 March 2023, in particular the non-delivery of council services, the lack of case work and the limited

number of committees and panels which would be formed which in turn will reduce the number of meetings held for Members to attend. The IRP was also cognisant that during the "Shadow" year the newly elected Members of the Authority would still have County and District Councillors to respond to ward and constituent matters arising from 5 May 2022 to 31 March 2023.

- 3.8 It further reasoned that during this time (9 May 2022 to 31 March 2023) the Members' Basic and Special Responsibility Allowances should be paid at 50% of that proposed for the Westmorland and Furness Council post vesting day at which point full responsibilities from the sovereign councils are transferred. It was noted that this was an approach adopted by North Northants Shadow Authority.
- 3.9 Under the Local Authorities (Members Allowances)(England) Regulations 2003, before making or amending its allowance scheme, the Council has a duty to have regard to the recommendations made in relation to it by the Independent Remuneration Panel. Once the report is received, the Council is also required to ensure that copies are available for inspection by the public, and a notice published in a local newspaper advising of the Council's receipt of the report from the IRP. This is to be done and a notice is due to be published week commencing 9 May 2022.
- 3.10 If Members resolve to amend the Members Allowance Scheme, officers will place an advertisement in local newspapers setting out the details of the revised scheme that will be in effect from 9 May 2022.
- 3.11 Members are asked to delegate to the Monitoring Officer authority to prepare a recruitment pack and advertise for an Independent Remuneration Panel to consider allowances for the new Council from vesting day. It is recommended that any such panel consist of 5 members, and a report will be brought to a future shadow authority meeting to make appointments to the Panel.

4.0 Consultation

- 4.1 The Member Allowances Working Group were tasked with convening an LGR Independent Remuneration Panel (IRP) and facilitating the Panel in order to support and assist in their deliberations to propose recommendations for a Scheme of Member Allowances for both Shadow Authorities.

5.0 Alternative Options

- 5.1 Option 1 – The Shadow Authority could agree the Scheme of Members Allowances for the shadow year and convene its own Independent Remuneration Panel to advise on a scheme of members allowances for Westmorland and Furness Council post vesting day.
- 4.2 Option 2 – The Shadow Authority could partially agree with aspects of the Member Allowances scheme and make amendments to other aspects for the shadow year and convene its own Independent Remuneration Panel.
- 4.3 Option 3 – The Shadow Authority could, having taken note of the IRP report suggest an alternative scheme for the Westmorland and Furness Shadow Authority and convene its own Independent Remuneration Panel to advise on a scheme for the Westmorland and Furness Council.

6.0 Implications

Financial, Resources and Procurement

- 6.1 It is intended that allowances for newly elected Members of the Shadow Authority will be financed from the established LGR Implementation Reserve which is being centrally administered and controlled by Cumbria County Council.
- 6.2 Existing sovereign council Finance systems currently utilised for Member Allowances' payments will be utilised in the same way as a mechanism for Shadow Authority Member allowance payments in order to avoid incurring any unnecessary or additional processing costs, and to keep the process simplified.

Human Resources

- 6.3 Administration of the Members' Allowance Scheme will be supported by Democratic Service Officers from the District Councils within the Westmorland and Furness authority area.
- 6.4 It is agreed that each sovereign council, through their own Democratic Services as a point of contact, will be responsible for capturing and calculating the monthly allowance and permissible expenses of each Member elected by virtue of a seat allocated to the sovereign council: Barrow 19 Members, Eden 15, South Lakeland 31.

Legal

- 6.5 The Cumbria (Structural Changes) Order 2022 provides that the Westmorland and Furness Council Shadow Authority must prepare and adopt a scheme for the payment of allowances to its Members. It also provides that the Local Authorities (Members' Allowances) (England) Regulations 2003 apply in relation to the shadow authority.

- 6.6 The 2003 Regulations provide that before an authority makes a scheme for Members' allowances it shall have regard to the recommendations made by the IRP. The regulations provide that an IRP must consist of at least three members, none of whom are a Member of the authority in respect of which it makes recommendations or are disqualified from becoming a Member of such authority.
- 6.7 A scheme must make provision to ensure that where a member of an authority is also a member of another authority, that member may not receive allowances from more than one authority in respect of the same duties.

Health and Sustainability Impact Assessment

- 6.8 The proposals have no health and sustainability impacts and so no assessment of the health and sustainability impact of the proposal has been carried out.

Equality and Diversity

- 6.9 The proposal has been equality streamed and no evidence of impact has been raised.

Risks

Risk Management	Consequence	Controls required
Failure to adopt a scheme	Not complying with the requirements of the SCO Delay in members allowances being paid	Consider the Scheme proposed by the LGR IRP as attached

Contact Officers

Linda Fisher, Technical Lead, Legal and Democratic Work Stream and Monitoring Officer (South Lakeland District Council)

Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Shadow Authority for Westmorland and Furness Elected Members Allowances Scheme 2022/23