

Westmorland and Furness Council

Report Title:	Members' Allowances Scheme 2024/25, 2025/26, 2026/27 and 2027/28 - Report of the Independent Remuneration Panel
Meeting:	Council
Meeting Date:	22 February 2024
Report Author:	Linda Jones, Chief Legal and Monitoring Officer
Lead Cabinet Member(s):	N/A
Wards Affected?	All
PUBLIC, PART EXEMPT OR FULLY EXEMPT	Public
List of Appendices (if any)	Appendix 1 – IRP Report Appendix 2 – Current Members Allowances Scheme

1. Executive Summary

1.1 This report encloses the recommendations from the Independent Remuneration Panel (IRP) in respect of a Members Allowance Scheme for 2024/25, 2025/26, 2026/27 and 2027/28. The full report of the IRP is appended at Appendix 1. The Chair of the IRP will be present at the Council meeting to present the IRP report to Members.

2. Recommendation

For the reasons set out in this report, it is recommended that Council-

2.1 Considers the report of the Independent Remuneration Panel at Appendix 1 to this Report, and determines whether to approve amendment to the Special Responsibility Allowances (SRA's) for Executive Members in accordance with the recommendations of the IRP

2.2 Approves a Members' Allowances Scheme for 2024/25, 2025/26, 2026/27 and 2027/28, whereby Basic Allowances and SRA's payable to Members (including any amendment to SRA's for Executive Members consequential upon agreement by the Council of recommendation 2.1 above) are adjusted from 1 April 2024, and thereafter annually in line with the Pay Award (if any) for staff on salary scale point 44 of the Westmorland and Furness Council pay scale.

2.3 Agrees that any other allowances payable to Members' and any other persons holding positions required by law under legislation not part of the Members' Allowances Regulations should be adjusted by the same adjustment of allowances (if any) as under the Members' Allowances Scheme.

2.4 Agrees that subject to any further recommendations of the IRP prior to this date that the Members Allowances' Scheme should be reviewed again in 4 years.

3 Legislative Framework

- 3.1 The legislative framework governing the payment of Members' Allowances is set out in the Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) (the Members' Allowances Regulations).
- 3.2 Under the provisions of the Members' Allowances Regulations the Council is required to make a Scheme ('Members' Allowances Scheme') for the payment of Members' Allowances each year. A Members' Allowances Scheme needs to make provision for Basic Allowances, Special Responsibility Allowances ('SRA's'), Dependents' Carers' Allowances, Travelling and Subsistence Allowances and Co-optees Allowances. Once a Members' Allowances Scheme is made for any year it may be amended during the year in question in accordance with the Members' Allowances Regulations. It is also possible under the Members' Allowances Regulations for any amendment to the Members' Allowances Scheme to be backdated to the beginning of the financial year in which any such amendment is made.
- 3.3 By virtue of the Members' Allowances Regulations, before the Council can make or amend a Members' Allowances Scheme, it is required to have regard to recommendations made in relation to it by an Independent Remuneration Panel ('IRP'). In this regard the IRP met on 9th January 2024.
- 3.4 Under the provisions of the Members' Allowances Regulations it is possible for a Members' Allowances Scheme to make provision for an annual adjustment of allowances by reference to an index specified by the Council. The Council may then rely on the index for four years, after which it is required to seek a further recommendation from the IRP on the application of an index to its Members' Allowances Scheme.

4 Information: the Rationale and Evidence

- 4.1 The IRP was appointed in October 2022 with an initial task of reviewing the Members Allowance Scheme for the Shadow Year. Their review was completed in November 2022 and approved by the Shadow Authority at its meeting on the 19 December 2022. Subsequent to this, on 20 April 2023 Council considered a report from the IRP recommending a new Members' Allowances Scheme for 2023/24 replacing the scheme for the Shadow Year to take effect from Vesting Day on 1 April 2023. The recommendations of the IRP were agreed by the Council. A copy of the Members' Allowances Scheme for the year 2023/24 is attached as Appendix 2 to this report for ease of reference.
- 4.2 During the course of their consideration of the new Members' Allowances Scheme for 2023/24 a significant amount of work was undertaken by the IRP concerning an appropriate level of the Basic Allowance for Councillors in the new Council, which was fair and reasonable and adequately reflected and

compensated Members for their commitment and time spent on Council business.

- 4.3 This included a benchmarking exercise with comparator Councils, a questionnaire circulated to all Members, and an invitation to all Members to address them as to the new Members' Allowances Scheme.
- 4.4 As in previous consideration of the Members' Allowances Scheme, the principles of the IRP guiding the process were:
- The promotion of a healthy democracy by minimising financial disadvantage as a barrier to people from a wide range of socio/economic backgrounds and age groups with a wide range of skills standing for election or serving as Councillors.
 - The maintenance of the ethic of voluntary public service given freely and the need to reflect this ethos within the Basic Allowance paid to all Councillors, so that individuals do not stand for and remain on the Council primarily for financial reasons.
 - That, notwithstanding the above, the level of Basic Allowance should adequately reflect and compensate members for their commitment and time spent on their duties at Council meetings, representing the Council on outside bodies and on carrying out work in their Wards.
 - That the level of Special Responsibility Allowance should reflect additional responsibilities over and above the generally accepted duties of a Councillor and should be a multiplier of the Basic Allowance.
 - That the Members' Allowances Scheme should be fair, easy to understand and straightforward to administer.
- 4.5 In making their recommendations on a new Members' Allowances Scheme it was determined by the IRP that the Basic Allowance should be the multiplier upon which SRA's were calculated, so as to provide clarity as to the process, and also to assist ease of understanding and administration of the Members' Allowances Scheme going forward. The Members' Allowances Scheme for 2023/24 divides SRA's into seven 'bands', expressed as a Multiplier x the Basic Allowance, the Multiplier varying according to the differing bands.
- 4.6 In making their recommendations on a new Members' Allowances Scheme for 2023/24 it was however recognised by the IRP that the level of SRA's for the new Council was a particular area of some difficulty as neither the IRP nor Members or Officers had the benefit of how the governance structure of the new Council would operate in practice, and the demands of the roles in the new Council regarding which an SRA was payable. It was therefore considered by the IRP that in setting a Members' Allowances Scheme for 2024/25 there

should be a review of their initial assumptions regarding the levels of SRA's in the light of experience.

- 4.7 In approving the Members Allowances' Scheme for 2023-24 Council recognised the difficulty the IRP had in setting SRA's ahead of vesting day, noting the absence of comparisons of SRA's with other similar authorities, which it believed were necessary for the reassurance for both Members and the general public. Council consequently resolved that the IRP should collect the necessary evidence and report back to the Council within 9 months;
- a) Reviewing the SRA's given the experience of actual workloads and responsibilities in the Council's first 6 months.
 - b) Providing comparisons of the SRA's with similar Councils and explain the material differences; and
 - c) Recommending changes, if any, to SRA's required as a result of a) and b).
- 4.8 A survey as to the appropriate levels of SRA's was circulated to all Members who were invited to comment on SRA's payable under the Members' Allowances Scheme, and should they wish to any other considerations of the Members' Allowances Scheme. The IRP was provided with information to assist them in their review. This included information on the brief of Executive Members, including numbers and locations of Cabinet meetings, formal Cabinet Member/ Director meetings, projects linked to individual portfolio areas, Committee and Outside Body Appointments and other Executive Member commitments, and information on Non-Executive Committee meetings. The IRP was also provided with benchmarking information concerning comparator Councils.
- 4.9 13 Members responded to the survey, a particular theme being that the present levels of SRA's for Executive Members did not adequately reflect the responsibilities and commitments of the role, and travel time between meetings. Written representation were received from 3 Members. In addition 6 Members addressed the IRP in person.
- 4.10 After reviewing the information provided and submission received, in the light of the operation of the first year of operation of the new governance structure of the Council the IRP concluded that the present level of SRA's payable to Executive Members did not properly reflect the responsibilities and commitments of the role, and that consequently they should be amended by

way of an adjustment to the multiplier applicable to the roles of Leader of the Council, Deputy Leader and other Executive Members, and that going forward the Members' Allowances Scheme for 2024/25 should be amended so as to reflect the recommended revised multipliers.

- 4.11 The IRP did not consider they had sufficient information at this time to make any recommendations as to amendment of the multipliers relating to SRA's payable to Committee Chairs and other allowances under the Members' Allowances Scheme.
- 4.12 In addition the IRP were supportive of the Council adopting an index for the annual adjustment of allowances payable under the Members' Allowances Scheme. The IRP were of the view that an appropriate index would be that applicable to staff on spine point 44, which in 2023/24 had equated to an annual increase of 3.88%.

5 The Independent Remuneration Panel's Recommendations

- 5.1 After reviewing the relevant data the IRP have made the following recommendations which are summarised at paragraph 5 of their Report:
- a) That the Multiplier for the Special Responsibility Allowance for the Leader of the Council be amended to 2 x Basic Allowance.
 - b) That the Multiplier for the Special Responsibility Allowance for the Deputy Leader be amended to 1.2 x Basic Allowance
 - c) That the Multiplier for the Special Responsibility Allowance for other Cabinet Members be amended to 1 x Basic Allowance
 - d) That the above adjustments should be applied in the Members' Allowances Scheme 2024/25
 - e) That the Basic and Special Responsibility Allowances payable to Members be increased from 2024/25 in line with the Pay Award (if any) for staff on spine point 44, and thereafter annually for 2025/26, 2026/27 and 2027/28.

The changes proposed by the IRP to Cabinet Members Allowances SRA's are indicated in red at Schedule 1 of Appendix 2 for ease of reference.

A copy of the full IRP report is appended at Appendix 1 to this Report.

- 4. Link to Council Plan Priorities: (People, Climate, Communities, Economy and Culture, Customers, Workforce)**

4.1 Having a Members' Allowances Scheme in place ensures that Council meets its Council plan priorities.

5. Consultation Outcomes (with services, ward councillors & public consultation where required)

5.1 As part of the process for producing this report all Members of Council were invited to provide comments and engage with the IRP Panel.

6. Alternative Options Considered

6.1 The Council could resolve not to approve the recommendations being proposed by the Independent Remuneration Panel and could propose a higher or lower level of Members' allowances.

7. Financial Implications and risk

7.1 The total annual cost of the increase in Members' Allowances recommended by the Independent Remuneration Panel is £ 46,800

7.2 The total approved annual budget for Members' Allowances in 2023/24 is £1.072m. As part of 2024/25 Q1 budget monitoring an allocation of £0.053m from contingency will be required to ensure that the IRP recommendations are fully funded.

7.3 Annual increases shall be funded from the pay and inflation corporate budget.

8. Legal & Governance Implications

8.1 The Members' Allowances Regulations provides that a local authority must establish an Independent Remuneration Panel to make recommendations on the Members' Allowances Scheme adopted by the Council, and any amendment thereto. The IRP must consist of a minimum of 3 members, none of whom is a member of the Council or disqualified from being a member of the Council.

8.2 The Council has a duty to have regard to the recommendations made by the IRP.

8.3 The Regulations provide that the Authority must advertise the IRP recommendations, and adverts have been placed in one or more newspapers circulating in the area. A copy of the report is also available on the Westmorland and Furness website and has been placed on deposit at the Council's registered office.

9. Human Resources Implications

9.1 There are no additional staffing implications arising as a result of this report.

10. **Equality & Diversity Implications** (including the public sector equality duty, Armed Forces Families, Care Leavers and Health inequalities implications)

10.1 It is considered that the recommendations will have a neutral effect on equality and diversity.

11. **Background Information & Sources (used in preparation of this Report)**

11.1 None

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