

Report of the Independent Remuneration Panel for Westmorland and Furness Council February 24

Members' Allowances Scheme 2024/25, 2025/26, 2026/27 and 2027/28

1. Introduction

- 1.1 The Independent Remuneration Panel was appointed in October 2022. The initial request before the Panel was to review the Members Allowance Scheme for 2022/23, which had been adopted by the Westmorland and Furness Shadow Authority at their meeting on the 17 May 2022 for the Shadow Year. This initial review was completed in November 2022, and our report was formally submitted to the meeting of the Shadow Authority and approved on 19 December 2022. Subsequent to this, on 20 April 2023 the newly formed Westmorland and Furness Council considered a second report from ourselves 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.
- 1.2 This is now the third of our formal reports and recommends revisions to Members Allowance Scheme whereby taking account of operation of the new governance structure of the Council Special Responsibility Allowances for Executive Members are adjusted, to take effect from 1 April 2024. So as to aid efficiency and administration of the Members Allowances Scheme, this report also recommends that the Council adopts for the next four years a revised index for the annual adjustment of allowances payable under the Members' Allowance Scheme.
- 1.3 When making our recommendations on the Members' Allowances Scheme for 2023/24 it was clear to us that there would be a very significant difference for both elected members and officers as the authority went live. As recognised in our previous report the Council had adopted a brand new governance structure, which at the time was untested. Therefore at the time of our recommendations on the Members' Allowance Scheme for 2023/24 it was recognised that experience would show whether some of the assumptions we had

made as a Panel at that early stage in the new Council's life would hold true, or would need to be reviewed and refined in the light of the practical implementation of the governance structure. We felt this would particularly be so in the case of Special Responsibility Allowances.

- 1.4 We have been grateful to Members for their engagement with us during this latest period of review. We feel that our recommendations for a revised Special Responsibility Allowances for Cabinet Members now put before the Council are evidence based and in line with principles we agreed to adopt when scoping the terms of our initial work.

2. Background to the Review

- 2.1 As our earlier report explained, Local Government Reorganisation within Cumbria involved the dissolution of the County Council and the six district Councils to create two new unitary authorities. The newly created Westmorland and Furness and Cumberland Councils took on all the functions and legal responsibilities of the former authorities from Vesting Day on 1 April 2023.
- 2.2 Elections to the Shadow Authority for Westmorland and Furness were held in May 2022 with 65 members elected to a five year term of office. The focus of the Shadow year was to prepare for Vesting Day by ensuring that existing public services continue to be delivered on Day 1, and that budgets and plans were in place to take over the functions and responsibilities of the former authorities including the transfer of staff, buildings and assets. There was no responsibility in the Shadow year for the delivery of services, and existing Councillors within the sovereign Councils remained the point of contact for the public and continued to represent those Councils on local bodies and partnerships.
- 2.3 Accordingly, during its Shadow year the Shadow Authority only had a limited number of member bodies to deal with the task of preparing to go live as a new unitary Council. Once the new Council was established and operational, a new governance structure came into being, and Members took on the full representational role of an elected member within a unitary authority, dealing with all former District and County Council functions within their ward areas.

3. Scope of Review and Approach of the Panel

3.1 Once again as we reconvened as a Panel to start our review we spent some time reflecting on the principles which we felt would underpin our work. We agreed these 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' Allowance Scheme should be fair, easy to understand and straightforward to administer

4. Evidence to the Panel

4.1 Prior to our first meeting on the 30 November 2023 we were helpfully provided with information to assist us in our review. This included information on the responsibilities of Cabinet Members, including numbers and locations of Cabinet pre-agenda and formal Cabinet Member, Cabinet update and planning meetings, Cabinet briefings, joint leadership team meetings between Cabinet Members and the Corporate Management Team, regular and ad-hoc Director and individual Cabinet Member Portfolio Meetings, projects linked to

individual Portfolio areas, training and attendance at conferences, Committee and Outside Body Appointments, together with information on Non-Executive Committee meetings. We were also provided with benchmarking information regarding the comparator Councils of the recently formed unitary Councils of North Yorkshire, Cumberland, Somerset, and Bournemouth, Christchurch & Poole. We noted that in particular that there was a significant difference between the level of Special Responsibility Allowances payable to Cabinet Members in the Westmorland and Furness Council, and those payable to Cabinet Members in these comparator Councils.

Current Cabinet Member Special Responsibility Allowances of these comparator Councils is contained in the below table. The Table also contains current Westmorland and Furness Council Cabinet Member Special Responsibility Allowances.

| Council | Leader Allowance | Deputy Leader Allowance | Cabinet Members |
|---|------------------|-------------------------|-----------------|
| North Yorkshire | £40,447 | £21,588 | £19,945 |
| Cumberland | £24,650 | £18,850 | £14,500 |
| Somerset | £38,750 | £23,250 | £20,150 |
| Bournemouth, Christchurch & Poole Council | £29,339 | £19,559 | £19,559 |
| Westmorland & Furness | £23,400 | £13,000 | £7,800 |

In addition it was also agreed that we would:

- Circulate a questionnaire to all Councillors seeking their views on hours spent on formal Council business excluding local Member duties, how many additional hours was spent on formal Meetings, and where applicable other formal Council Business relating to where applicable their Special Responsibility Allowance. Councillors were asked if they had any views on the application of the current multiplier for calculation of Special Responsibility Allowances so far as it made a distinction between different positions or groups of positions attracting a Special Responsibility Allowance

- Consider how the Members' Allowances Scheme can be a benefit in attracting and promoting both talent and diversity and assess barriers to standing as a Councillor
- Consider travel time to meetings and Councillors' commitments, given the size and scale of the Council area
- Invite Members to submit representations on Special Responsibility Allowances' either in writing or in person to the next meeting of the Panel.

4.2 We then met on the 9 January 2024 to assess the responses to the questionnaires we had previously circulated to all Members and any other written representations, and receive representations in person from Members. We had the benefit of 13 questionnaire responses from a variety of members, including 7 Cabinet Members, 3 Chairs of Committees and 3 other Members. In addition to the questionnaire responses we received 3 written submissions, 2 from Cabinet Members and 1 from a Chair. We also had the benefit of 6 representations in person, 5 from Cabinet Members and 1 from a Chair.

4.3 Cabinet Members estimated that they spent up to 40 hours a week on Executive Business, with an average of between 26-28 hours a week. One Chair estimated that he spent 10 hours a week on Committee business. A particular theme emerged that in some cases the extent of a Cabinet Members responsibilities and workload equated to the equivalent of a full time job. It was clear to us that apart from preparation and attendance at formal Cabinet and other formal meetings, Cabinet Members were required to undertake on a day to day basis extensive work associated with the responsibilities of their roles. Cabinet Members outlined a number of barriers to undertaking the role of a Cabinet Member, including the present level of Cabinet Member Special Responsibility Allowances, and travel time between meetings which could be extensive given the geographical footprint of the Council. Reflecting on this feedback we reached a consensus that going forward we did not consider that the present level of Special Responsibility Allowances for Cabinet Members adequately reflected the requirements and high level of additional responsibilities of the role. These responsibilities included leadership, collective and individual decision making, stakeholder management and engagement. Whilst being mindful of the cost to the public purse we considered having

regard to the principles of our work as outlined at paragraph 3.1 above that an increase was appropriate.

- 4.4 We also considered whether at this stage it would be appropriate to further review Special Responsibility Allowances for Committee Chairs. We did not however consider that there was sufficient information available at this stage as to how the new governance structure relating to Council Committees was operating in practice. It was agreed between us that this would be something for a further review in due course.
- 4.5 During the course of our discussions an issue was raised regarding the lack of provision for pensions in the Members Allowances Scheme, and the consequential discouragement this might have on the younger demographic age range considering standing as a Councillor. We recognise these concerns but understand that provision for Members Pensions was removed from the Regulations some years ago, and that it is therefore not possible for the IRP to make any recommendations in this regard.

5. Recommendations

- 5.1 That the present Special Responsibility Allowances for Cabinet Members are amended as follows:

Leader of the Council – 2 x Basic Allowance

Deputy Lead of the Council – 1.2 x Basic Allowance

Other Cabinet Members – 1 x Basic Allowance

- 5.2 That the above amendment to Special Responsibility Allowances for Cabinet Members be effective from the commencement date of the Members Allowances Scheme for 2024-25.

6. Annual Adjustment

- 6.1 In addition to our above recommendations we recommend that the Council adopts a revised index for annual adjustment of Basic Allowances and Special Responsibility Allowances. We consider that any index should be aligned to the pay award (if any) for staff. An appropriate index might be the pay award to staff on spine point 44, which in 2023/24 had equated to an annual increase of 3.88%,

as we understand that below this spine point staff received a lump sum pay award, which we do not consider applicable to apply to Members' Allowances. To aid administration of the Scheme we recommend that the index applies for the next four years.

7. Other Scheme Provisions

- 7.1 We recommend that the other provisions of the scheme are unchanged.

8. Costs

- 8.1 To summarise the cost of the amendment we are recommending to the Special Responsibility Allowance for Cabinet Members is £46,800. The revised allowances are;

| | 2023-24 Allowance | 2024-25 Allowance |
|-------------------------|-------------------|-------------------|
| Leader Allowance | £23,400 | £26,000 |
| Deputy Leader Allowance | £13,000 | £15,600 |
| Cabinet Members | £7,800 | £13,000 |

- 8.2 We understand that the total approved annual budget for Members Allowances in 2023-2024 is £1.072m. Should our recommendation in respect of indexation of Members Allowances be approved by the Council an additional amount will be required. We cannot however quantify this at this stage as the outcome of the 2024-2025 pay settlement is not yet known.

9. Conclusion

- 9.1 We would like to thank again everyone who has supported the Panel in undertaking our review. As indicated previously, in the absence of any hard data it was difficult to formulate our recommendations for Special Responsibility Allowances in Year 1 of the new Council, and consequently we considered that there should be a review of these the following year in light of experience. We have done our utmost to formulate our recommendations as to revision of Special

Responsibility Allowances based on evidence of operation of the new Council, and in line with the principles underpinning our work.

Paul Jones
Chair of the Independent Remuneration Panel
February 2024