

## **Constitution and Standards Committee**

**23 June 2022**

<b>REPORT TITLE:</b>	<b>MEMBERS' ALLOWANCES SCHEME: UPDATE</b>
<b>REPORT OF:</b>	<b>INDEPENDENT REMUNERATION PANEL</b>

### **REPORT SUMMARY**

The role of the Independent Remuneration Panel, under the Local Authorities (Members Allowances) (England) Regulations 2003, is to make recommendations to the Council as to the responsibilities or duties in respect of which allowances should be available and the amount of those allowances. Under the Regulations the Council is required to undertake a full review of the Members Allowances Scheme every four years but the Panel can also meet at any time at the request of the Council to consider any issues asked of the Panel.

This report provides the Committee with an update in respect to the work of the Independent Remuneration Panel and requests the Committee to refer to Council for decision a proposed change to the Members Allowances Scheme in respect to the Special Responsibility Allowances (SRA) for Group Leaders and in respect to the Basic Allowance for Members both to be implemented from the 2022 municipal year.

### **RECOMMENDATION:**

The Constitution and Standards Committee is recommended to:

1. Refer to Council for decision the Independent Remuneration Panel's recommendation to amend the Members Allowance Scheme in respect to the level of Special Responsibility Allowance for Group Leaders and the Basic Allowance for all Members, as detailed in the report.
2. Recommend to Council that, if adopted, the new scheme become effective following July 2022 Council Meeting.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 The Panel was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021). These regulations, which arise out of the relevant provisions in the Local Government Act 2000, require all local authorities to set up and maintain an advisory Independent Remuneration Allowances Panel to review and provide advice on Members' allowances.
- 1.2 All councils are required to convene their Allowances Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must have regard to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
- 1.3 The Panel met over the summer and autumn to consider two key issues at the request of the Constitution & Standards Committee, namely, the level of Special Responsibility Allowance (SRA) for Leaders and Deputy Leaders of Smaller Groups and the provision of an SRA for Vice Chairs of Committees. The Panel at their first meeting also determined that they wished to re-visit the issue of the level of basic allowance provided to Members given that the Committee system had been in place for over a year.

### **2.0 OTHER OPTIONS**

- 2.1 The Panel was not restricted when considering the options in relation to the format of the scheme or the amount of the Allowances that are being presented to the Council for approval. The Panel had regard to:-
  - The Local Authorities (Members' Allowances) (England) Regulations 2003
  - The Government's "Guidance on Consolidated Regulations on Members' Allowances for Local Authorities in England".
  - A comparison of the level of Basic Allowances and Special Responsibility Allowances across Merseyside.
  - The current Members' Allowances Scheme for Wirral Metropolitan Borough Council.
  - The results of the anonymous Member Survey
  - Job descriptions for the Leader, Deputy Leader, Chairs, Vice Chairs and Group Spokespersons as detailed in the draft Council Constitution.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The Panel membership is as follows:-
  - Peter Bounds (Chair)
  - Helen Brennan
  - Jenny Chapman-Brown
  - Tony Green
  - Steve Griffiths

- Keryn Malthouse

The Panel met on the following dates:

- 26 August 2021
- 9 September 2021
- 30 September 2021
- 4 November 2021
- 20 March 2022

## Proposals

### 3.2 Vice-Chairs Special Responsibility Allowance

A survey of those Members who were Vice Chairs in the 2020/21 municipal year and the 2021/22 cohort of Vice Chairs was undertaken. Following the initial consideration of the survey results the Panel determined that they wished to undertake a similar survey with Group Spokespersons so that they could better differentiate between the two roles. Based on the outcomes of the two surveys the Panel was of the opinion that there was insufficient evidence at the present time to warrant recommending an SRA for the role of Vice- Chair.

### 3.3 Group Leader & Deputy Group Leader Allowance

The Panel met with three of the five Group Leaders at their meeting on 4<sup>th</sup> November 2021. They further had regard to written submissions from the Group Leaders who were not in attendance.

The Panel identified for consideration three options for which they sought the views of the Group Leaders. The Panel noted that all Group Leaders were in favour of SRA's being proportionate to that of the Leader of the Council. Having regard to the comments made and following a detailed discussion, the Panel determined that a combination of the initial options presented would form the best solution to make provision for an increase to the level of SRA paid for the leader of the 4<sup>th</sup> largest group. The recommendation of the panel is detailed in the table below with additional guidance in the event of any two political groups having an equal number of Members.

Leader of the Council	£24,000	100%
Leader of the 2 <sup>nd</sup> Largest Group (minimum of 4 members)	£14,400	60%
Leader of the 3 <sup>rd</sup> Largest Group (minimum of 4 members)	£7,200	30%
Leader of the 4 <sup>th</sup> Largest Group (minimum of 4 members)	£4,800	20%
Leader of Other Small Groups (minimum of 4 members)	£1,200	5%

Deputy Leader of the Council	£12,000	100%
Deputy Leader of the Largest Group ( if not Deputy Leader of the Council)	£12,000	100%
Deputy Leader of the 2 <sup>nd</sup> Largest Group (minimum of 6 members)	£7,200	60%
Deputy Leader of the 3 <sup>rd</sup> Largest Group (minimum of 6 members)	£3,600	30%
Deputy Leader of the 4 <sup>th</sup> Largest Group (minimum of 6 members)	£2,400	20%
Deputy Leader of Other Small Groups (minimum of 6 members)	£600	5%

- In the event of political groups having an equality in number of members, the total of the combined allowances would be shared between the group leaders i.e if there were two smaller groups with the same number of members, the leaders would receive 50% of the combined total for leader of those groups
- The same would apply for Deputy Leaders of groups, should they both have a minimum of 6 members

### 3.4 Basic Allowance

The Panel was informed of the Council decision at the Annual General Meeting in September 2021 not to accept the recommendation of the Panel to increase the basic allowance from £8,712 per annum to £9,148 per annum (an increase of 5%) effectively restoring it to a level close to that which applied in 2012. The Panel noted that the Council agreed that the allowance should be revised annually in line with the JNC Index.

At the meeting held on 4<sup>th</sup> November 2021, the Panel met with the Leader of the Council, the Leader of the Conservative Group and the Leader of the Independent Group. The Panel were presented with written information from the Liberal Democrat and Green Group Leaders as well as up to date information relating to the Basic Allowances paid by other Local Authorities in the region.

Following the discussion with Group Leaders and having regard to the level of Basic Allowances paid by other Local Authorities, the Panel determined that they wished to recommend again to the Council that an amendment be made to the Allowances Scheme to increase the level of Basic Allowance from the present level of £8,864.92 per annum (an increase of 1.75% compared to 2021-22 in accordance with the index linked to the annual pay award for local government employees under the National Joint Council for Local Government Services national agreement) to £9,308.17 per annum (an increase of 5%).

The reasons for this recommendation were to set the Basic Allowance at such a level to encourage and make it possible for everyone to seek election to Council. The Panel was further of the opinion that the figure set in 2012 was no longer fit for purpose and did not accord with the outcomes of the All Member Survey undertaken during the course of the last review by the Panel. The Panel further noted from discussions with Group Leaders and Council Officer that Members were committing

more of their time to Council business following change of governance arrangements in September 2020.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The total Members Allowance Scheme in respect to the Basic Allowance and Special Responsibility Allowances is £806,536. It should be noted that an individual Member can only claim one SRA. A number of Councillors often perform two roles which would entitle them to an allowance. Being a Deputy Group leader whilst being a Committee Chair is one such example. Consequently, it is unlikely that there will be 100% draw down from the budget. As a result, there is no requirement to increase the Members' Allowances Budget.
- 4.2 As per the previous recommendation of the Panel in 2020, should the Council agree to the recommendation to increase the basic allowance, the increase is offset by a reduction in the overall cost of special responsibility allowances from the previous governance arrangements, reflecting the shift in decision-making responsibility from portfolio holders to all Council members consequent on the introduction of the committee system.
- 4.3 The Members' Allowances Scheme will form part of the Council's normal budget setting considerations.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council must appoint an Independent Remuneration Panel to review its Scheme of Members' Allowances in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003.
- 5.2 Under the provisions of the 2003 Regulations, local authorities can exercise local discretion as to the amounts to be paid under their Scheme. Local Authorities must have regard to the recommendations of its Independent Panel in determining allowances matters although it is a decision for Members whether or not to adopt the recommendations detailed in the report.

#### **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

- 6.1 There are no staffing or resource implications arising from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 If the Council does not approve the revised Allowances Scheme, Members will not receive any increase in either the Basic Allowance or Special Responsibility Allowance as recommended by the Panel.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The Panel met with the Group Leaders and Deputies where they were able to attend. Furthermore, an anonymous electronic survey was sent to all Vice Chairs and Group spokespersons from the 2020/21 municipal year and the current cohort.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 There are no direct equality impact implications arising from the recommendations detailed in this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 There are no environmental or climate implications arising from the recommendations detailed in this report.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 There are no community wealth implications arising out of this report.

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## **APPENDICES**

Appendix 1 – Updated Members’ Allowances Scheme

## **BACKGROUND PAPERS**

The Local Authorities (Members’ Allowances) (England) Regulations 2003  
The Government’s “Guidance on Consolidated Regulations on Members’ Allowances for Local Authorities in England”.

A comparison of the level of Basic Allowances and Special Responsibility Allowances across Merseyside.

The current Members’ Allowances Scheme for Wirral Metropolitan Borough Council.  
Job descriptions for the Leader, Deputy Leader, Chairs, Vice Chairs and Group Spokespersons as detailed in the draft Council Constitution.

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Standards and Constitutional Oversight Committee	26 Sept 2019
Council	14 May 2019
	28 September 2020