

*Final Draft*

**WIRRAL METROPOLITAN BOROUGH COUNCIL**

**REPORT OF THE INDEPENDENT PANEL ON MEMBERS' ALLOWANCES  
JULY 2017**

**Introduction**

1. The Independent Panel on Members' Allowances met on Monday, 17th July 2017 to undertake a periodic review of the Members' Allowances Scheme. The Panel comprised:

Don Latham, Private Local Government Consultant (Chairman)  
Nunzia Bertali, Italian Consul  
Pauline Brown, Eclipse Executive Ltd  
Ray Allan, Solicitor (Retired) – Apologised for absence

2. The Panel were aware that the Council continues to face considerable financial challenges and that it is vital to ensure that public money is well spent and that all allowances are justified and merited. Members have previously given a lead on this and, with the support of the Panel elected to take a 5% cut in basic allowance in 2011 and there have been no increases since.

3. The Panel recognises that the allowances awarded to Members in Wirral MBC are in the lower quartile when compared to other similar Councils and that some Special Responsibility Allowances (SRAs) might justify an increase. But, given the financial situation being faced by the Council, we do not recommend any significant change to the Scheme at this time. We do believe that, if and when the financial climate allows, due consideration could be given to reinstating the 5% austerity cut in the basic allowance.

4. We considered the published material and comparisons with a cross section of thirteen other Councils concerning remuneration of councillors. We also took into consideration the requirements of Government Regulations on Member Allowances. The Leader of the Council - Councillor Phil Davies (Labour) and the Leader of the Conservative Group – Councillor Ian Lewis, attended and presented Group views to the Independent Panel. Six Members presented their views in writing, including the Leader of the Liberal Democrat Group, Councillor Phil Gilchrist which were also taken into consideration in making our recommendations.

5. We would like to record our thanks to Shirley Hudspeth, Committee and Civic Services Manager, who supported the Panel throughout the review. Also to Surjit Tour (Assistant Director: Law and Governance) who also attended to provide information and to answer our questions.

6. The Panel's recommendations are as follows:

1) In the light of the continuing financial challenges being faced by the Council no change be made to the basic allowance or Special Responsibility Allowances (SRA).

2) When the financial climate allows, due consideration could be given to reinstating the 5% austerity cut in the basic allowance.

- 3) No change in the Mayoral allowances.
- 4) No SRAs be introduced for the chairs of the new Constituency (Area) Committees at this time.
- 5) The Members nominated to represent the Council on the Liverpool City Region Transport Committee be paid basic allowances and SRAs at a total cost of £34,226 to be met from contingencies.
- 6) Members continue to be restricted to one SRA.
- 7) The NJC award for staff pay continues to be used as the basis for deciding whether or not to update allowances.
- 8) The process of approving training expenses be streamlined but there should be no change in the level of allowances paid.
- 9) The Caring Allowance continues to be kept in line with the minimum wage – currently £7.50 per hour.

#### **Basic allowance**

7. The Basic Members' Allowance is paid in recognition of the time commitment of all Councillors, including such inevitable calls on time as meetings with officers, constituents and attendance at political group meetings. It is also intended to cover incidental costs such as use of Members' homes. However, in accordance with statutory guidance, an element of the role of an elected Member must be viewed as voluntary.
8. The desire to serve local communities and residents is seen as the prime motive for being a Councillor. There is a balance to be struck as Members' remuneration should not be seen as an incentive to put them forward to stand for Council, as it negates the public service principle that is inherent in a Members' role. Nor should remuneration be at a level that excludes many underrepresented groups from standing for the Council because it would impose undue financial pressures on them. Consequently, the overarching principle that underpins the Panel's work is to continue to develop a Scheme of Members' Allowances that properly recompenses Members of this improving and visionary Council; that bears comparison with other Councils; that takes account of local economic conditions and good practice, that is completely transparent about what can and cannot be claimed, and that is justifiable to the public of Wirral. It is incumbent upon the Panel to ensure that its recommendations represent value for money.
9. When the Council's financial situation permits consideration could be given to reinstating the 5% austerity cut made to the Basic Allowance in 2011. But taking into account the current financial constraints and noting the stringent financial measures the Council has put in place to address the unprecedented budgetary pressures it faces, the Panel propose that no change is made to the basic allowance.

#### **Mayor and Deputy Mayor**

10. No evidence was supplied that would suggest an increase could be justified. We recommend that the allowances paid to the Mayor (£10,700) and Deputy Mayor (£1,500) remain unchanged.



## **Special Responsibility Allowances (SRAs)**

11. The Panel reviewed the awarding of a separate special responsibility allowance to the Chairs of the four Constituency (Area) Committees. The Leader of the Council informed that a review of the workings of Constituency Committees was in progress. Consequently, we recommend that no SRAs be paid to chairs of the Constituency (Area) Committees at this time but that the situation be kept under review.

12. We noted that the number of Cabinet portfolios had been increased from nine to ten; that four Policy and Performance Committees had been replaced by three Overview and Scrutiny Committees; but that the People Overview and Scrutiny had subsequently been replaced with two committees one for Adult Care and Health and one for Children and Families.

13. We believe that the SRAs are soundly structured. We recommend, in line with good practice, that the use of the basic allowance as a building block for SRA calculations should continue and we consider that SRAs are currently set at an appropriate, if minimum, level.

14. The Panel recommends, in line with current practice, that members should continue to be restricted to one SRA.

## **Liverpool City Region Combined Authority Transport Committee**

15. Prior to May 2017, the Merseytravel Committee was largely responsible for overseeing the Combined Authority's transport responsibilities, including making recommendations to the Combined Authority and taking decisions on matters delegated to it by the Combined Authority. From May 2017, this work has been carried out by the Liverpool City Region Combined Authority's Transport Committee.

16. Previously, the allowances paid to the four Wirral Members appointed to the Merseytravel Committee were paid by the Council and reimbursed by Merseytravel. However, from May 2017 any allowances for Transport Committee Members must be paid and funded by each constituent local authority within the Liverpool City Region Combined Authority. In Wirral Council's case up to four Elected Members can be nominated to sit on the Transport Committee.

17. The Panel was asked to consider whether each nominated Elected Member should receive a Basic Allowance in line with the previous rate as a nominated representative on the Merseytravel Committee. In addition, and yet again in line with previous arrangements for the Merseytravel Committee, we considered whether three Members should continue to receive a SRA for specific lead duties on the Transport Committee. It was noted that the Council would be reviewing these allowances during the year, looking at Members' roles and responsibilities and would have regard to the SRAs set out in Schedule 1 to ensure any recommendations made were not out of kilter with them.

18. We recommend to the Council that these arrangements be put in place retrospectively to enable up to four nominated representatives to be paid an allowance to reflect their duties in representing the Council on the Liverpool City Region Combined Authority Transport Committee during 2017/18. Schedule 1 to the Wirral Members' Allowances Scheme will need to be updated to include the SRAs set out below. The total cost would be £34,226 which could be met from

contingencies.

Basic Allowances	£5,675 each Member
SRA - Lead Member (Bus)	£4,433
SRA – Lead Member (Finance and Organisational Development)	£4,433
SRA – Opposition Spokesperson	£2,660

19. It is expected that the governance arrangements for the Liverpool City Region Combined Authority Transport Committee will be reviewed in the coming months and that any proposed changes will be reported to the Council in due course.

### **Updating**

20. The Panel recommend that the NJC award for staff pay should continue to be used as the basis when updating allowances.

### **Travel and Subsistence**

21. The Panel fully endorse the continuation of the use of the HMRC rate of 45 pence for car travel. We made a detailed consideration of the arguments to increase subsistence allowance particularly in respect of overnight stays outside the Borough. Having considered all the issues especially transparency in making claims we do not propose making changes from the current limits.

22. We do consider that the process of approval might be streamlined by having a nominated officer to assist Members in finding suitable accommodation that represents value for money and agreeing to exceed the set limits if there are special circumstances. The CEO could make the final decision in any disputed situations or exceptional circumstances. There must be an 'internal check' to ensure the wise use of Council funds and to ensure that the reputation of the individual Councillor and Council is not brought into disrepute. The Assistant Director: Law and Governance agreed to draw up an appropriate framework to assist the decision making regarding overseas travel, flights etc. and circulate it to Panel Members. The process will be reviewed in again in twelve months.

### **Training Expenses**

23. We were asked by officers to give consideration to whether Cabinet Members' attendance at broader conferences and training events should be included in Schedule 2 of the scheme as currently they require Executive Member approval. It was reported that a review of the process would be carried out and Political Groups would be asked to discuss the arrangements and mechanisms that could be put in place. Consequently, it was agreed to defer consideration of this process until the next Municipal Year.

## Caring Allowance

24. The Panel recommends that the hourly rate be kept in line with the minimum wage. (Currently £7.50)

## Schedule 1

25. It was reported that from, time to time, the Leader of the Council may change the titles and content of the portfolios of his Cabinet Members. Also, the names of the Overview and Scrutiny Committees may change. With this in mind, the Panel was of the view that Schedule 1 to the Wirral Members' Allowances Scheme should not expressly state the titles of the portfolios or the names of the Overview and Scrutiny Committees. This would assist in future proofing the Scheme.

## Notice of Panel Meetings

26. The Panel recommended that, in future, more notice is given to the Political Group Leaders and their Members so that they are able to either attend in person or the Panel has time to consider their written representations prior to the meeting.



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CHAIR OF THE PANEL

Date.....17/8/17.....

