



## **COUNCIL**

**Monday, 28 September 2020**

<b>REPORT TITLE:</b>	<b>MEMBERS' ALLOWANCES SCHEME</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.

In light of the decision by the Council in October 2019 to move to a Committee System, the Council further took the decision to appoint a new Independent Remuneration Panel in January 2020 in order to review the Allowances Scheme. The Panel has met regularly since and now presents for approval their recommendations.

### **RECOMMENDATION/S**

- (1) That the Council approves the Members' Allowance Scheme detailed in Appendix 1 to the report and the schedule of approved duties.
- (2) That the amount of basic and special responsibility allowances payable under the approved scheme shall be increased each year by reference to the annual percentage salary increase for local government staff, and other allowances indexed to officers' allowances and the national minimum wage scheme as appropriate, such increases to be implemented from the start of the municipal year for the year in which they are applicable.
- (3) That the Independent Remuneration Panel be requested to undertake a review of the Scheme in the next municipal year in respect to the allocation of Special Responsibility Allowances to take account of actual experience of the Committee system in operation.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

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. 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.

### **2.0 OTHER OPTIONS CONSIDERED**

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
- Tony Green
- Steve Griffiths
- Keryn Malthouse

3.2 Basic Allowance

The Panel were mindful of the fact that the Basic Allowance for Members had not increased since 2012 and that Members had taken a reduction in their allowance in that year of 5%. The Panel also noted that several of Wirral's comparator authorities uprate allowances annually, using an index linked to the annual pay award for local government employees under the National Joint Council for Local Government

Services National Agreement (the NJC Index). With that in mind, the Panel determined to recommend that the basic allowance be increased from the present level of £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 also recommends that this allowance should be revised annually in line with the NJC Index.

### 3.3 Special Responsibility Allowance

The Panel recommendations in respect to Special Responsibility Allowances are detailed in Schedule 1 at Appendix 1. The Panel has committed to undertake a further review in 12 months' time in respect to those allowances. The Panel recommends that Special Responsibility Allowances should also be revised annually in line with the NJC Index.

The indicative budget comparison for total scheme cost for 2019/2020 and the proposed 2020/2021 scheme is £805,796 compared to £806,536. This is based on all available allowances being allocated and it should be also be noted under the proposed scheme, the Panel has made additional provision should the Leader of the Council and Deputy Leader not be from the largest group. If this were to be the case, there could potentially be a small increase in the overall budget cost.

The increase in basic allowance is offset by a reduction in the overall cost of special responsibility allowances, reflecting to some extent a shift in decision-making responsibility from portfolio holders to all Council members consequent on the introduction of the committee system.

### 3.4 Childcare and Dependent Carers Allowance

The Panel agreed to recommend an increase in allowance to not exceed £8.72 per hour in line with the National Minimum and National Living Wage calculations from April 2020, with the maximum level to be revised annually in accordance with the national scheme.

### 3.5 Travel and Subsistence Allowance

The Panel determined that it was not necessary to recommend any changes to the Travel Allowance at this time but did agree to recommend a change to the Subsistence Allowance so that it was consistent with the Council's scheme for Officers. Again, it is recommended that these allowances should be varied from time to time to match changes made to the Council's schemes for Officers.

The new proposal is outlined in Appendix 1

## 4.0 FINANCIAL IMPLICATIONS

See paragraph 3.3 above.

The Standards and Constitutional Oversight Committee agreed that the Chair of the Independent Remuneration Panel receives an honorarium set at £500 per annum.

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: STAFFING, ICT AND ASSETS**

None.

## **7.0 RELEVANT RISKS**

If the Council does not approve a new Allowances Scheme for the Municipal Year 2020/2021, Members will not receive any Special Responsibility Allowances in light of the change in governance arrangements.

## **8.0 ENGAGEMENT/CONSULTATION**

The Panel met with the Group Leaders and Deputies where they were able to attend.

Furthermore, an anonymous electronic survey was sent to all councillors on 22 January 2020 seeking views on the current remuneration offered through the Members' Allowances Scheme. The survey also requested that members give an indication of the average number of hours per week that they spent undertaking their duties as a Member. The survey remained open for a period of 5 weeks until 25 February 2020. In total, the survey received 46 individual responses representing a response rate of 70%.

## **9.0 EQUALITY IMPLICATIONS**

There are no equality impact implications arising from the recommendations detailed in this report

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

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

**REPORT AUTHOR: Philip McCourt**  
Director of Law and Governance (Monitoring Officer))  
telephone: Tel: 691 8498  
email: philipmccourt@wirral.gov.uk

**APPENDICES**

Appendix 1 – Suggested Members’ Allowances Scheme 2020/21  
- Approved duties are a part of the 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.  
Results of the Anonymous Survey of Councillors  
Minutes of the Constitutional Oversight Committee – 26 September 2016  
Minutes of the Council Meeting – 13 January 2020

**SUBJECT HISTORY (last 3 years)**

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