

Report of	Meeting	Date
Director (Governance) Introduced by (Executive Member (Economic Development and Public Service Reform))	Council	Tuesday, 21 November 2023

Review of Members' Allowances Scheme 2023

Is this report confidential?	No
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Is this decision key?	Not applicable
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Purpose of the Report

1. To consider the recommendations of the Independent Remuneration Panel to the Council in relation to Members' Allowances.

Recommendations

2. To add a new role within the Members Allowances Scheme 'Deputy Portfolio Holder' with a payment of £1,619.96.
3. To increase the payment for the Vice Chair of Governance from £56.70 (½ day) when they chair the meeting due to the absence of the Chair to a flat rate of £1,619.96 per annum.
4. To increase the payment for the Chair of Governance from £1,942.74 to £3,288.65.
5. To add an option to the annual uprate mechanism in the event of a lump sum payment to staff of the middle percentage of the salary scales, from the lowest – to the highest. The scales used would be the Shared Services pay scales, from the lowest scale up to the Chief Executive. The median percentage increase for 2022-23 and 2023-24 is 5.95% and 5.62% respectively.
6. To pay these new allowances with effect from the Annual Meeting in May 2023.
7. To authorise any consequential changes to the Constitution.

Reasons for recommendations

8. The Council is required under Regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003 to appoint and maintain an Independent Remuneration Panel, to review and make recommendations to the Council on the Members' Allowances Scheme.

9. The Council can choose whether or not to implement those recommendations.

Other options considered and rejected

10. There are no alternative options.

Corporate priorities

11. The report relates to the following corporate priorities:

Housing where residents can live well	A green and sustainable borough
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

Background to the report

12. The members of the Independent Remuneration Panel were appointed by the Council on 19 September 2023 for a three-year term of office. The members of the Panel are Dennis Benson (Chair), Lorraine Norris, former Chief Executive of Preston City Council, Phil Davies, former Elections Manager at Chorley Council and Diane Gradwell, Chief Executive Officer, Citizens Advice Lancashire West.
13. The current Members' Allowances Scheme was approved at the Council meeting on 18 May 2021 following a full review as required every four years and following the electoral review of Chorley to rectify voter equality across the borough.

Requirements of the Scheme

14. The Regulations state that each Authority must make a Scheme which includes a Basic Allowance and Special Responsibility Allowances (SRA) for special responsibilities. The current Scheme includes a schedule of allowances which Chorley Council pays to its Elected Members.
15. A scheme may also provide for:
- Dependants' carers' allowance
 - Travelling and subsistence allowance
 - Co-optees' allowance
 - Pensions
16. The request from Council for this review is to consider particularly;
- a new role within the Members Allowances Scheme 'Deputy Portfolio Holder',
 - to review the payment for the Vice Chair of Governance and
 - to review the annual uprate mechanism and
 - make recommendations on any changes to the Scheme for Council approval

New role of Deputy Portfolio Holder

17. At the Annual Meeting in May the Leader of the Council appointed Deputy Portfolio Holders, to support each of the seven Cabinet Members. This replaced the 'lead member' role, which were specifically for;
- Health Services,

- Shared Services, Joint Working & Community Wellbeing and
 - Equality and Diversity
18. The Panel role description for the new role of Deputy Portfolio Holder is set out as appendix 4 and is aimed at members who may become Executive Members in the future. There are seven roles, which mirror the Executive Cabinet portfolios;
 - Economic Development and Public Service Reform
 - Resources
 - Early Intervention
 - Homes & Housing
 - Planning & Development
 - Health, Wellbeing & Partnerships
 - Customer, Streetscene and Environment
 19. The IRP considered information on the rates paid by other Lancashire Authorities for a similar role and several authorities from outside Lancashire. The figures ranged greatly, which made comparison difficult.
 20. The Panel noted the role description for Deputy Portfolio Holders, and that the role recognised the need for succession planning for future Executive Cabinet members, particularly maintaining knowledge and awareness of those functions or matters relevant to the portfolio and of current activities and developments in relation to them.
 21. In addition, representing the Council on relevant partnerships and external bodies and championing the learning and development needs of Members in their area. It was acknowledged that the role did not have any formal decision-making responsibilities.
 22. The Panel noted the payment made to Executive Members as being £4,858.66 and the former Lead Member payment of £1,942.74. A suggestion was made to consider the midpoint between the Chairs and Vice-Chairs which was £2,454, but the Panel felt that the payment should be the same as the Vice-Chair being £1,619.96.

Vice Chair of Governance

23. Currently, the Vice Chair of Governance receives a payment of £56.70 (½ day) when they chair the meeting due to the absence of the Chair.
24. Governance Committee is responsible for reviewing the Council's accounts prior to publication, reviewing the external auditor's reports and the annual audit letter and internal audit's annual report. For the purpose of external audit this committee comprises "those charged with governance".
25. It also is responsible for ensuring high standards of conduct are promoted amongst members. It is possible that the Vice Chair may be asked to Chair a Standards hearing and it was important that members of the Council had confidence in that role.
26. The IRP considered information on the rates paid by other Lancashire Authorities for a similar role and several authorities from outside Lancashire. Again, the Panel noted significant variances in the payments made.

27. The Panel noted the payment made to the other Vice-Chairs (Planning, Licensing, Overview and Scrutiny) as being £1619.96 and agreed the role should be paid in line with the other Vice-Chairs.
28. The Panel noted that the Chair of Governance received £1,942.74 and felt this figure ought to be uprated to be in line with the Chair of the Planning and also Licensing and Public Safety Committee at £3,288.65. This recognised the greater role the Chair will have moving forwards, with monthly meetings with the Monitoring Officer and Head of Audit regarding any current issues as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Annual uprate mechanism

29. Currently, the amounts payable as part of the Scheme are uprated on an annual basis at the same rate as the officer annual pay increase and will be implemented with effect from 1 April each year.
30. In most years the pay increase for staff is expressed as a percentage, for 2022/23 a flat rate increase was agreed for all staff of £1,925, regardless of their current grade or salary. The offer also included a permanent extra day's leave per year for all staff from 1 April 2023, and an uprating of 4.04% on allowances (such as travel, accommodation, overtime etc). This amount had also been agreed for the 2023-24 pay agreement.
31. As the main increase was not expressed as a percentage, it was necessary to convene a meeting of the Independent Remuneration Panel to consider what the appropriate increase for councillors would be.
32. The IRP considered information on the percentage increases paid by other Lancashire Authorities and noted these ranged from 2% to 4.04%.
33. An analysis of percentage increases in pay for 2022/23 shows that the top level of the NJC pay scale award at £1,925 is equivalent to 4.04%, whereas head of service pay rose by 3.01% or 3.21% depending on salary level. Directors pay increased by 2.22%.
34. The Panel agreed the percentage increase ought to be the middle percentage of the salary scales, from the lowest – to the highest. The scales used would be the Shared Services pay scales, from the lowest scale up to the Chief Executive. The median percentage increase for 2022-23 and 2023-24 is 5.95% and 5.62% respectively.

Climate change and air quality

35. The work noted in this report has no impact on the Councils Carbon emissions and the wider Climate Emergency and sustainability targets of the Council.

Equality and diversity

36. An Impact Assessment will be completed as part of the review of the Scheme. The Independent Remuneration Panel consists of male and female members.

Risk

37. The council needs to take account of the recommendations made by the Independent Remuneration Panel when determining the Members Allowances Scheme.

Comments of the Statutory Finance Officer

38. If the recommendations are agreed the likely cost is between £30-40k in 23/24. This is in line with what budgets would have increased should allowances have been increased alongside salaries. The pressure would be met in year from existing underspends or reserves then built into the budget on a recurring basis.

Comments of the Monitoring Officer

39. Prior to amending the Members Allowance Scheme, the Regulations require the Council to have regard to the recommendations made by the Independent Remunerations Panel.

Dennis Benson
Chair of the Independent Remuneration Panel

Background documents

[The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#)
[Current Members' Allowances Scheme](#)

Appendices

Appendix A – Deputy Portfolio Holder role description

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