

**Lancashire County Council
Members' Independent Remuneration Panel
5 June 2017**

Present:

Irene Divine
Keith Leaver
Dennis Mendoros, DL
Terry Whitehead

1. Appointment of Chair

Mr Leaver was re-appointed as chair of the Panel.

2. Minutes of the meeting held on 19 January 2016

The Panel confirmed the minutes of the meeting held on 19 January 2016 as a true and correct record.

3. Alterations to the Members' Allowance Scheme

The Panel was informed that the 2017/18 Scheme had been approved by the Full Council on 23 February 2017. The Full Council agreed that no changes should be made to the Scheme pending a review of the Scheme by the Independent Remuneration Panel following the Council elections on 4 May 2017. It was noted that the Full Council would normally have to have regard to the recommendations of the Panel. However, a meeting of the Panel was not required as no changes to the scheme were proposed.

The following information was presented to the Panel to assist its review of the Scheme following the County Council elections:

- A copy of the existing Scheme and supporting background information including a summary of the key elements of the Scheme previously considered by the Panel and approved by the Full Council;
- A list of current Special Responsibility Allowances (SRA) paid, as well as a comprehensive list of the current roles and responsibilities of SRA post holders, and decision making bodies such as Council Committees;
- Information relating to the number of meetings, decision making sessions, other events and decisions taken by SRA holders and Committees etc.,
- Comparative information with the five largest (by population) County Councils, as well as neighbouring Cumbria County Council;
- The result and outcome of the County Council elections including the establishment and size of the various political groups;
- The Council's new decision making structure as approved by Full Council on 25 May 2017;

- The views and representations submitted by the political group leaders; and
- Officer suggestions to clarify and update certain aspects of the Scheme and supporting guidance notes.

(i) Scheme Indexation

The method of uprating the Scheme's allowances is normally agreed for a fixed four year period. The Panel recalled that at its last meeting it agreed to recommend the Full Council to adopt the following indices as the method of uprating the various allowances for 2016/17 only and that a further review of the indices be undertaken by the Panel as part of a wider review of the Members' Allowance Scheme following the County Council elections:

Allowance	Index
Basic Allowance, Special Responsibility Allowance, and Dependents' Carers' Allowance	Local Government National Pay Award for officers
Travelling and Subsistence:	
Motor Car, Motor Cycles and Bicycles	To be revised in accordance with the maximum for Income Tax purposes as defined by HM Revenue and Customs
Overnight Accommodation, Day Subsistence and Travel Abroad	Consumer Price Index (published in November of the preceding year)

The Full Council at its meeting on 25 February 2016 approved the adoption of the above indices for 2016/17.

Officers felt that there was no reason to suggest any changes to the indices as they were easily accessible and similarly used by many local authorities.

Recommendation (1) to Full Council: That the indices, as set out in the above table, be adopted as the method of uprating the various allowances for a fixed four year period commencing 1 April 2017.

(ii) Uprating of Allowances

The Panel was informed that the Scheme provided for an automatic uprating of the Basic Allowance, Special Responsibility Allowances and the Carers/Dependents Allowance in line with the annual staff pay increase. While the staff pay increase for 2017/18 was set at 1%, the Full Council at its meeting in February 2017 agreed that the 1% uprating of the Scheme's allowances should be deferred pending the Panel's review of the Scheme.

The Panel recalled that the various allowances had been frozen on a number of occasions during the past 10 years. That was due to staff not receiving a pay

award or a Full Council decision to not apply the % pay increase. Whilst the Council's 2017/18 budget did not include provision for a 1% increase, it was likely that the 1% increase could be met from within the existing Members' budgetary provision. The Council's Medium Term Financial Strategy would have to be adjusted to provide for any future increases. The Panel recognised the financial position of the Council but felt that the allowances should be uprated in accordance with provisions of the Scheme, and to ensure that the allowances were not seen as a barrier to people wishing to stand for election to the Council.

Recommendation (2) to Full Council: That the 2017/18 Basic Allowance, Special Responsibility Allowances and the Carers/Dependents Allowance be uprated in accordance with the 1% staff pay increase for 2017/18.

(iii) Amendments suggested by Officers

- Deadline for submission of expenses claims:

The Panel was informed that the members were required to submit expenses claims to Democratic Services by the 6th day of each month. This presented officers with little time in which to receive, verify and approve the claims prior to the Council's payroll deadline. The problem was exacerbated if the majority of claims were submitted on the deadline itself. Officers felt that a deadline date of the 4th day of each month would enable the claims to be processed more easily and efficiently. The proposed new deadline would not have an adverse effect on the ability of members to submit their claims particularly as the Scheme allowed members to submit claims up to two months after the period to which the claim related.

Recommendation (3) to Full Council: That members be required to submit expenses claims by the 4th day of the month.

- Use of taxis

The Panel was informed that while the Scheme enabled members to make and claim for taxi journeys, the definition of 'journey' was considered to be too open ended which could prove costly to the Council. It was suggested that members should only be permitted to reclaim the cost of a taxi journey in the following circumstances:

- Where a taxi needs to be used prior to or following a train journey in connection with attendance at a conference or other similar event away from County Hall; or
- An emergency situation where no other form of transport is available; or
- Where a journey by taxi has been given prior approval by the Director of Governance, Finance and Public Services.

Recommendation (4) to Full Council: That members be permitted to reclaim the cost of a taxi journey in the above mentioned circumstances only.

- Members' Allowance Scheme Guidance Notes

The Panel was informed that detailed Guidance Notes supported the Members' Allowance Scheme. This was felt unnecessary and it was suggested that the Guidance Notes should be merged into the Scheme. This would remove a considerable amount of duplication and ensure that all relevant information was contained in one document i.e. the Members' Allowance Scheme.

Recommendation (5) to Full Council: That the Members' Allowance Scheme and the supporting Guidance Notes be merged into one document.

(iv) Political Group Leaders' Representations and Comments on the Scheme

The Panel was informed that the Leaders of the four Political Groups had been invited to attend the meeting to submit their views on the Members' Allowance Scheme and to make any recommendations with regards to any changes they wished the Panel to consider. It was noted that the Leaders had also been issued with a questionnaire to assist them in making any representations to the Panel.

It was reported that County Councillor Ali, Labour Group Leader, and County Councillor Hayhurst, Independent Group Leader, would not be attending the meeting as they were happy with the existing Scheme and they did not wish to make any recommendations to change it.

County Councillor Atkinson, Deputy Leader of the Conservative Group attended the meeting in the absence of the Group's Leader, Councillor Driver. In summary, Councillor Atkinson asked the Panel to consider the following:

- While the Scheme permitted an increase in the Basic Allowance, the Special Responsibility Allowance (SRA), and the Dependents' Carers' Allowance in line with the annual % staff pay increase, it was felt that the 2017/18 increase of 1% should not be applied and that the allowances should be frozen.
- The Councillors' Basic Allowance and the SRA paid to the Leader were considered acceptable and appropriate to the size of the Council.
- The SRA currently paid to the chair of the Audit & Governance Committee did not reflect the role nor the extremely important work of the Committee. It was felt that the SRA should be increased to £7,471.
- The SRA paid to the chairs of other Council Committees listed in Schedule B (Special Responsibility Allowances) of the Members' Allowance Scheme should be fixed at the same amount i.e. £7,471. The only exception would be the chair of the Corporate Complaints Committee who would receive an allowance of £2,500 due to the reduced number of Committee meetings.
- Following the elections the new administration had established an additional cabinet member's post which it was felt should receive an SRA at the same level as other cabinet members.
- A Lead Member's post and a Champion's post had been disestablished. An SRA was previously paid to both positions so that money could be used

- to offset other proposed changes to the list of SRA positions.
- A new External Services Scrutiny Committee had been established and it was suggested that the chair and deputy chair of the Committee should receive the same SRAs as other Scrutiny Committee chairs and deputy chairs.
 - It was suggested that the SRAs previously paid to the Leader, Deputy Leader, Secretary or Whip of the Liberal Democrat Group should be removed. Prior to the elections the Liberal Democrat Group had 6 members and the Group had entered into an agreement to support the Labour Party to form a minority administration. However, the elections had resulted in the size of the Liberal Democrat Group being reduced from 6 to 4 members. This meant that the Group now had as many members as the Independent Group had prior to the elections. With this in mind and given that SRAs were not paid to the Independent Group's Leader, Deputy Leader, Secretary or Whip, it was felt that SRAs should no longer be paid to the Liberal Democrat Group and that the money be used to offset other proposed changes to the list of SRA positions.

County Councillor David Whipp, Leader of the Liberal Democrat Group, then attended the meeting to present his views and suggestions on the Members' Allowance Scheme. In summary, Councillor Whipp asked the Panel to consider the following:

- The 2017/18 staff pay increase of 1% should be applied to the Basic Allowance. It was important that the Basic Allowance paid to all members was not allowed to fall too far behind inflation.
- It was suggested that the Leader's SRA be reduced by 10% with all other SRAs continuing to be paid as a % of the Leader's revised SRA. That would achieving a saving to the Council.
- All Scrutiny chairs and deputy chairs should be paid an SRA, and at the level currently set out in the Scheme.
- While the size of the Liberal Democrat Group had reduced following the elections, it was felt that the Group was still able to contribute to the work of the Council and to act as an effective opposition. It was suggested that SRAs should continue to be paid to the Group's Leader, Deputy Leader and Secretary.

The Panel gave careful and detailed consideration to all of the information presented and to the points raised by Councillors Atkinson and Whipp. The Panel also received the views of officers on the suggestions made particularly in relation to the payment of SRAs to Council Committee chairs and Political Group post holders. Officers specifically highlighted the important role and work of the Audit and Governance Committee.

Officers confirmed that the suggestions relating to the payment of SRAs as submitted by Councillor Atkinson would be cost neutral and would result in a small underspend on the SRA budget. Officers also confirmed that Councillor Whipp's SRA related suggestions would result in an increased under spend on that budget.

The Panel noted the views of Councillors Atkinson and Whipp on the uprating of the Basic Allowance, the Special Responsibility Allowance and the Carer's/Dependents Allowance in accordance with the 1% staff pay increase. After further discussion on this matter, the Panel re-affirmed its earlier decision that the Full Council should be recommended to apply the 1% increase to the various allowances in 2017/18.

There was a lengthy discussion on the financial implications of the suggestions presented to the Panel and while the Council's difficult budget position was recognised, it was felt that the financial implications or consequences arising from any recommended changes submitted by the Panel were a matter for the Full Council and not the Panel to determine. It was agreed that any recommendations made by the Panel to the Full Council should be based on and supported by firm evidence. Unfortunately the Panel felt that insufficient evidence had been presented to support any recommended changes being made to the Full Council which was disappointing. It was suggested that the Political Group Leaders be invited to attend the next meeting of the Panel in December 2017 or January 2018 to discuss any suggested changes to the Members' Allowance Scheme in more detail and having experienced the Council's new decision making arrangements over a six month period. Any changes could be considered for implementation as from 1 April 2018.

Recommendation (6) to Full Council:

- (i) That, subject to the recommendations 1-5 above, the Panel does not wish to make any other recommendations to amend the 2017/18 Members' Allowance Scheme.
- (ii) That the Leaders of the Political Groups be invited to attend the next meeting of the Panel to present and discuss in detail any suggested changes to the 2018/19 Members' Allowance Scheme.

5. Any Other Business

None.

6. Date of Next Meeting

To be confirmed.

I Young
Director of Governance, Finance
and Public Services

County Hall
Preston