

**Lancashire County Council
Members' Independent Remuneration Panel
19 January 2016**

Present:

Irene Divine
Keith Leaver
Dennis Mendoros, DL
Terry Whitehead

1. Appointment of Chair

It was reported that Gordon Johnson's term of office had expired and he did not wish to be re-appointed to the Panel. It was noted that Mr Johnson had served on the Panel for years and as chair of the Panel for the last five years. The Panel wished to record their appreciation and thanks to Mr Johnson.

It was reported that Gail Stanley's term of office had also expired and she was thanked for her work on behalf of the Panel.

The Council would consider the filling of the two vacancies in due course.

It was agreed that Keith Leaver should be appointed as chair of the Panel.

Mr Leaver welcomed members to the meeting and thanked officers for the informative training session held prior to the meeting.

2. Minutes of the meeting held on 9 February 2012

The Panel confirmed the minutes of the meeting held on 9 February 2012 as a true and correct record.

3. The Members' Allowance Scheme - Background

The Panel received a report setting out the background to the existing Members' Allowance Scheme including the previous considerations and recommendations of the Panel.

The Panel noted the report.

4. Members' Allowance Scheme – Review of Indexation

The Panel considered a report on the implications of Sections 10(4) and (5) of The Local Authorities (Members' Allowances) (England) Regulations 2003 which permit a Members' Allowance Scheme to make provision for an annual adjustment of allowances by reference to an index which must be reviewed every four years.

The Panel was informed that the County Council now needed to review the indices used to adjust allowances as from 1 April 2016. The Regulations required the County Council to have regard to the recommendations of the Panel before making or amending its Scheme.

It was explained that the role of the Panel was to make recommendations on the indices to be used to uprate the allowances over the next four years. A decision to adopt the indices as part of the Members' Allowance Scheme for this period, and any cost implications was a matter for the County Council to determine. A decision to implement the uprating of the allowances each year was also a matter for the County Council to consider prior to the start of each year.

Having said that, the Panel's attention was drawn to the Council's extremely difficult budget position. It was reported that the Council's budget had been considerably reduced over the past few years and there would be a further significant cash and real terms decrease in 2016/17 and beyond. It was noted that, to date, the Council had kept the Members' Allowances budget under 0.2% of the Council's net budget. However, should the Council wish to keep the Members' Allowance budget within this figure, then consideration would have to be given to a reduction in the Members' Allowance budget. It was noted that there was currently an underspend on the Special Responsibility Allowances element of the Scheme and on the overall 2015/16 budget provision for members.

It was also reported and noted that the Boundary Commission was currently reviewing electoral divisions in Lancashire and that the Commission was minded to recommend no change to the number of county councillors.

Details of the existing indices as shown below, together with alternative options including the associated financial implications of adopting each index were presented for consideration:

Allowance	Index
Basic Allowance, Special Responsibility Allowance, and 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	Retail Price Index (published in November of the preceding year)

After discussion, the Panel agreed that the Local Government National Pay Award for officers was still the most reasonable and transparent method of uprating the Basic, Special Responsibility and Carers Allowances. It was

considered that the pay award was also one of the most stable ways of calculating the annual increase for these allowances.

The Panel also agreed that the existing index in respect of uprating motor car, motor cycle and bicycle allowances i.e. the maximum for Income Tax purposes as defined by HM Revenue and Customs was open and transparent and that this index should continue to be used.

With regards to Overnight Accommodation, Day Subsistence and Travel Abroad Allowances, the Panel was conscious that the government had replaced the Retail Price Index with the Consumer Price Index as the common measure used for inflation effects. It was agreed that it would therefore be more appropriate to use the Consumer Price Index to uprate the Overnight Accommodation, Day Subsistence and Travel Abroad Allowances paid to members.

The Panel then discussed the effects of the various indices having regard to the County Council's budget. Whilst it was likely that any uprating of allowances in 2016/17 could be accommodated within the existing budget, the Panel was conscious of the greater financial problems in 2017/18 and beyond. The Panel was also aware that the next County Council elections would be held on 4 May 2017. As a full and detailed review of the Members' Allowance Scheme had not been undertaken since 2010, it was felt that the County Council should be recommended to adopt the indices for 2016/17 only and a further review of the indices be undertaken by the Panel as part of a wider review of the Members' Allowance Scheme following the next County Council elections.

Recommendations to the County Council

That the County Council be recommended:

- (i) to approve the adoption of the following indices for 2016/17 commencing 1 April 2016:

Allowance	Index
Basic Allowance, Special Responsibility Allowance, and 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)

- (ii) to agree that a further review of the indices used to uprate allowances be undertaken by the Panel as part of a wider review of the Members' Allowance Scheme following the County Council's elections in May 2017.

5. The Members Allowance Scheme for 2016/17 and Payments made to Members of Lancashire County Council in the period 2014/15

The Panel considered a report on the Members' Allowance Scheme for 2016/17.

It was reported that the County Council was required to adopt a new scheme before the end of each financial year, for the following year, and that the Full Council would be asked to approve a Scheme for 2016/17 at its meeting on 25 February 2016.

The following information was presented to the Panel for information and consideration:

- A copy of the existing Scheme;
- A list of current Special Responsibility Allowances paid, as well as a complete list of current roles established within the constitution;
- Comparative information with the five largest (by population) county councils, as well as neighbouring Cumbria County Council; and
- The cost of the Scheme since 2012/13.

The Panel also considered written representations submitted by the political group leaders and the following comments were made about each request or suggestion:

County Councillor Mein, Lead of the Labour Group

Leader's comment:

1. *No change to the indices which are currently used to uprate allowances.*

The Panel agreed that this matter had been considered and determined earlier in the meeting.

Leader's comment:

2. *That an SRA be paid to the Chair and Deputy Chair of the recently established Children's Services Scrutiny Committee. The level of SRA should be the same as SRAs currently paid to other Scrutiny Chairs and Deputies. This could be funded from the current underspend in the SRA budget.*

The Panel noted that this Committee had been established in December 2015 in response to the OFSTED inspection report. Officers advised that the Committee would be extremely busy in the months ahead and that it would

play a key role in helping the Council to review and improve children's services in the medium to long term. The Committee would meet every six weeks and the Chair and Deputy Chair would have significant responsibility in overseeing the work of the Committee and in supporting the Cabinet and relevant Cabinet Members.

Whilst the Panel recognised the need for this Committee to be established, concerns were expressed about the prospect of increasing the number of SRAs paid to Council members particularly having regards to the Council's budget position and the fact that the payment of two additional SRAs would take the Council over the recommended national guidance that SRAs should not be paid to more than 50% of the Council's elected membership. The Panel also questioned the need for all Scrutiny Chairs and Deputies (excluding the Executive Scrutiny Committee) to be paid an SRA and at the same rates. Officers explained the background to the SRA list and also advised that the Council would probably be reviewing its decision making structure as part of the general down-sizing of the authority. The Panel suggested that one option might be to merge the new Children's Scrutiny Committee and the Education Scrutiny Committee at some future point.

Having discussed the matter at length, the Panel felt that it was unable to support the Leader's request and that an SRA should only be paid to the Chair of the Children's Services Scrutiny Committee with the cost being met from existing budgetary provision. It was agreed that the SRA should be paid at the same rate given to other Scrutiny Chairs and that the SRA should commence as from 1 April 2016. The Panel felt that the SRA should not be back-dated to December 2015.

The Panel also agreed that the payment of an SRA to Chair of the Children's Services Scrutiny Committee and possibly to the Deputy Chair of the Committee should be revisited as part of a wider review of the Members' Allowance Scheme to be undertaken by the Panel after the Council's elections in May 2017 and in the light of experience when the respective roles and the work undertaken by the Committee would be clearer.

County Councillor Geoff Driver, Leader of the Conservative Group

Leader's comment:

It would be entirely inappropriate to increase Members' allowances at the present time.

The Panel agreed that it would be inappropriate to increase the Members' Allowance budget and felt that any increase in Members' allowances was a matter for the County Council to determine.

County Councillor Bill Winlow, Leader of the Liberal Democrat Group

Leader's comment:

1. *SRAs should be paid to the Chairs of the Executive Scrutiny Committee and the Children's Services Scrutiny Committee*

The Panel agreed that it had already dealt with the payment of an SRA to the Chair of the Children's Services Committee as part of the submission made by the Leader of the Labour Group. With regards to the payment of an SRA to the Chair of the Executive Scrutiny Committee, the Panel repeated its concerns about increasing the % number of SRAs paid to members, as well as the effects that would have on the budget. It was agreed that this should be revisited as part of the wider review of the members' Allowance Scheme in May 2017.

Leader's comment:

2. *SRAs should vary according to work-load*

The Panel agreed that whilst the level of an SRA should reflect the post holder's work-load, the level of responsibility was equally important. Unfortunately the Panel was unable to compare individual workloads and the levels of responsibility at this meeting. It was felt that this matter should also be reviewed by the Panel in May 2017.

County Councillor Gina Dowding, Leader of the Independent Group

Leader's general comment:

These suggestions are based on

- *What seems to be fair and actually a better reward for work or responsibilities done*
- *An attempt to make savings – which I believe we should be doing as a council within this budget heading.*

Leader's comment:

1. *Transport. That the Council no longer pays for first class tickets for councillors.
(Adopted by the civil service some time ago). There is a spurious argument about first class being cheaper if booked in advance. But standard is still cheaper than first class if booked in advance.*

The Panel was informed that whilst the Members' Allowance Scheme permitted first class journeys to be made, officers always looked to purchase the cheapest ticket available. It was also explained that the majority of first class journeys were made by senior members who often needed to work during their journey. Members of the Panel commented upon their own experience of booking tickets. It was agreed that first class tickets could sometimes be purchased more cheaply than a standard ticket particularly if

the ticket was being bought well in advance of the journey. Also first class travel particularly over longer journeys was more comfortable and allowed people to work in private. For these reasons and provided that officers looked to purchase the cheapest ticket wherever possible, then the Panel was not minded to support this proposition. The Council could if it so wished require the purchase of any first class tickets to be given prior approval by the Deputy Leader as cabinet member with responsibility for Members Allowances.

Leader's comment:

2. *That Subsistence payments are no longer paid for councillors undertaking duties within county hall. (Reflections offers a value for money service, whether subsidised or not). Other allowances allow for duties. No member of staff is paid for meals while at normal place of work.*

The Panel did not regard County Hall as being a member's place of work and the proposal was not supported.

Leader's comment:

3. *The role of Whip for majority group, largest opposition and second largest opposition group should not attract a SRA (they still have secretaries). To pay whips at a local authority level is totally inappropriate.*

As mentioned earlier, the Panel agreed that it was not in a position at this meeting to review any of the roles which attracted an SRA payment. However, the Panel was mindful that it had previously recommended the County Council to pay an SRA to the secretary and whip but to no other posts within each of the three largest groups. This was in recognition of the different roles and the range of responsibilities of each post. Therefore the Panel confirmed that it would not wish to recommend any changes at this time. It was suggested that the position be given further consideration by the Panel as part of the wider review in May 2017.

Leader's comments:

4. *That the role of 'Champions' should be deleted from attracting a SRA (except maybe parish councils)*

and

5. *That the role of 'Lead member' should attract a lower SRA i.e. 17.5%*

The Panel repeated the comments made during consideration of Councillor Dowding's suggestion at no.3 above. In summary, the Panel was not able to comment on specific posts in isolation at this meeting, the SRAs had previously been recommended by the Panel as the work and support given by the post holders was important, there was no obvious justification to change the SRAs and that the position be reviewed in May 2017.

The Panel requested officers to circulate a copy of the 2015 Champions' annual report for information.

Leader's comment:

6. *That there should be no increase in Basic Allowance or the basic SRA which is based on the leaders SRA.*

The Panel agreed that it did not wish to recommend a specific increase in the Basic Allowance or any Special Responsibility Allowances. However, it was noted that the various allowances would increase if the County Council adopted the indices recommended by the Panel earlier in the meeting, and then chose to accept the uprating of the allowances in accordance with the indices as from 1 April 2016.

Recommendations to the County Council

That, in addition to the recommendations at item 4 above, the Panel request the County Council to consider the following recommendations in respect of the 2016/17 Members' Allowance Scheme and beyond:

- (i) That a Special Responsibility Allowance at 25% of the Leader's SRA be paid to the Chair of the Children's Services Scrutiny Committee with effect from 1 April 2016.
- (ii) That consideration be given to the introduction of a mechanism for approving first class travel by Members.
- (iii) That subject to the above, no other changes be made to the existing Members' Allowance Scheme for 2016/17.
- (iv) That a detailed review of the Members' Allowance Scheme including the payment of Special Responsibility Allowances to specific post holders be undertaken by the Panel following the County Council elections in May 2017.

5. Any Other Business

None.

6. Date of Next Meeting

To be confirmed.

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