

Lancashire County Council

Independent Remuneration Panel

Minutes of the Meeting held on Tuesday 15th June 2021 at 10.30 am in Committee Room A (The Tudor Room)

Present:

K Leaver (Chair)
I Divine
L Strapps
T Whitehead

Officers in Attendance:

Paul Bond, Head of Legal and Democratic Services
Kate Lee, Head of Financial Management (Operations)
Josh Mynott, Democratic and Member Services Manager
Hannah Race, Democratic Services Officer

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting.

No apologies were received, though it was noted that D Mendoros had been unable to join the meeting virtually.

2. Minutes of the meeting held 6 May 2017

Resolved: That the minutes of the meeting held 6 May 2017 be confirmed as an accurate record.

3. Review of Lancashire County Council Members' Allowance Scheme

The Panel reviewed Lancashire County Council's 2021/22 Members' Allowance Scheme. 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;
- The result and outcome of the County Council elections in May 2021;

- A basic comparison of allowances paid to elected members of Lancashire County Council and those paid to elected members of other, similarly sized county councils, including neighbouring Cumbria County Council;
- An overview of Lancashire County Council's political management structure and decision-making bodies;
- A copy of the decision taken by the Leader of the Council on 27 May 2021 to establish two new Cabinet posts, and to amend the portfolios of the Cabinet Members;
- The views and representations submitted by the political group leaders; and
- Officer suggestions to clarify and update certain aspects of the Scheme and to provide supporting guidance.

The Panel was informed that any decision to amend the 2021/22 Members' Allowance Scheme would be taken by the Full Council at its next meeting on 15 July 2021 and that the Full Council had to have regard to the recommendations of the Panel.

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 present, or to submit in writing, their views on the Members' Allowance Scheme and to make recommendations with regards to any changes they wished the Panel to consider.

It was noted that the Labour Group had been invited to attend the meeting or submit their views in writing but had chosen not to on this occasion.

County Councillor John Potter, Deputy Leader of the Liberal Democrat Group, attended the meeting to present the group's views and suggestions on the Members' Allowance Scheme. In summary, County Councillor Potter asked the Panel to consider the following:

- With the addition of two new Cabinet positions since the election, 40 out of 48 Conservative Group members received additional remuneration or a Special Responsibility Allowance (SRA). More than 80% of members of the ruling group were receiving extra money, and he queried whether this was fair, appropriate and represented the best allocation of SRAs.
- Outside of the two largest groups, no elected members received an SRA, and this presented a challenge to the smallest political groups. Regardless of their size, all political groups contributed to the scrutiny of council decisions.

- What mechanisms were in place to enable scrutiny and accountability of some SRA holders to ensure the additional remuneration was merited. In particular, the role of Lead Members and Champions and their accountability was challenged.
- Whether the current system was fair and balanced, and especially whether it met the objective of ensuring that there were no barriers put in the way of individuals from all parts of the community. In particular, the impact on younger, working age people was raised.

The Panel gave consideration to the points raised by County Councillor Potter and agreed that the smallest groups were important to the council. It was noted that former versions of the Scheme had allowed for a "group allowance" to be given to all political groups on a proportional basis, but that this was no longer permitted by Regulations.

In response to a question, County Councillor Potter clarified that the carers'/dependents' allowance was unlikely to be a barrier for younger people who may have wished to stand as a councillor. The time of council meetings was likely to be a bigger factor for individuals who were not already retired or who had caring responsibilities, which was beyond the remit of the Panel.

Regarding the SRAs paid to Lead Members and Champions, there was a discussion about how the council monitored and scrutinised value, during which the following points were raised:

- Champions produced an annual report to Cabinet to demonstrate their work, though the same was not requested of Lead Members. Reports to Cabinet were public documents and could be viewed by all councillors. Nonetheless, there was scope for further scrutiny, and it was recognised that the smallest political groups could not ask questions during Cabinet meetings.
- SRAs existed to compensate councillors for the extra time they spent on council business whilst holding a particular role, so it was reasonable to check how this time was being spent.
- The council did not have a direct measurement to assess the value for money of the SRAs, however the Panel was entitled to recommend that regular reporting was carried out to monitor value for money.
- Lead Members and Champions should already have been involved in the overview and scrutiny of their areas of work.

The Panel agreed that outcomes should form part of the process to justify the payment of SRAs to Lead Members and Champions and that there was a public interest in how SRAs were allocated.

With regard to removing barriers that might have prevented individuals from standing as a councillor, the following points were highlighted:

- The council had recently developed a protocol for expectant and new parents, and the move to virtual and hybrid meetings as a result of the pandemic had resulted in improved attendance at council meetings. If permitted to continue in the future, allowing councillors to join meetings virtually in exceptional circumstances would improve accessibility.
- The last 18 months had provided an unusual opportunity to monitor whether councillors with caring responsibilities, for example, were able to attend more meetings when they were held virtually.
- The number of councillors who claimed the carers'/dependents' allowance was low generally, so had been largely unaffected by the shift to virtual meetings since March 2020.
- Although council meetings were beyond the Panel's remit, the Panel was in a position to recommend increased transparency to ensure there were no barriers to standing as a councillor.

Recommendation (1) to Full Council:

- i) That consideration be given to how greater scrutiny of the work of all SRA holders could be carried out to ensure accountability and value for money; and
- ii) That greater transparency of how SRAs were set and allocated would be welcomed by the Panel, and the Council should consider how this could be delivered.

The Panel was informed that the Conservative Group did not wish to attend the meeting, but had requested that the Panel consider whether councillors' attendance at parish council meetings in their division should be considered an Approved Duty, for which a travel and expenses claim could be submitted.

It was noted that Cumbria County Council allowed elected members to make a travel and expenses claim for attendance at parish council meetings, however Cumbria was demographically and geographically different to Lancashire.

The Panel agreed that attendance at local meetings formed part of councillors' roles as elected members for their areas and should not be considered council business.

Resolved: That a change to the Members' Allowance Scheme to include attendance at parish council meetings in the list of approved duties for which a

travel and expenses claim can be submitted should not be recommended to Full Council.

The Panel was informed that the Green Group had submitted their views in writing for the Panel's consideration, as follows:

- "The SRA for Group Whips should now be removed. We understand that this has been removed in other Councils. Whips clearly have a political role. While those who take this on may indeed undertake other administration duties- those should be passed to Group secretaries, who are also remunerated. It is inappropriate for Local Councils to support a political post for parity political practices that are in any case not adopted by all political parties. Councillors are not and should not be encouraged to behave like MPs in relation to their duties.
- Travel expenses. The Council should move to adopt best practice to incentivise use of public transport and EV by Councillors, which should be reflected in the travel re-imbusement rates. Best practice should be followed (from other organisations) to ensure that our commitment to carbon reduction is reflected in the rates of travel behaviour of councillors.
- The suggestion that SRA's should be paid to no more than 50% of councillors is too high. This should be reduced to 40% in the first instance. There is a public perception risk that a ruling group provides too many SRAs for its own members and has the tendency to create roles to financially reward its own members.
- Monthly claims. As many councillors are attending County Hall infrequently – and may have only one or two travel or carers claim per month – this is an inefficiency – creating high levels of admin for small amounts of money. There should be an option to claim quarterly – for example if there is are 3 or fewer claims for a month. Claims should be allowed to be rolled over for two months to a quarterly deadline."

The Panel agreed that it did not have a view on the SRA payment to Group Whips.

Regarding travel allowances, the Panel was informed that HMRC did not distinguish between petrol/diesel vehicles and electric vehicles. In part, an incentive was already provided because electric vehicles were cheaper to run. It was agreed that, whilst interesting from an environmental perspective and clearly something that should be encouraged and supported (for example, by providing charging infrastructure at County Hall), this issue did not fall within the remit of the Panel.

It was noted that the Panel had already discussed the payment of SRAs and made recommendations to Full Council accordingly.

In relation to the claiming system, the Panel agreed that quarterly claiming could cause difficulties from a finance perspective and did not wish to recommend any changes.

Resolved: That changes to the travelling allowances and changes to the process for submitting claims on a monthly basis should not be recommended to Full Council.

It was highlighted to the Panel by officers that a discrepancy had emerged since 2017 between the intended and actual SRA paid to the Leader of the Council. It had previously been recommended by the Panel, and agreed by Full Council, that the SRA paid to the Leader of the Council should be three times the Basic Allowance paid to individual councillors. As per the 2021/22 Members' Allowance Scheme, the Leader currently received £31,322 which was approximately £1,600 less than three times the current Basic Allowance.

The Panel agreed that the discrepancy should be resolved and that the SRA paid to the Leader should be realigned to three times the Basic Allowance paid to individual councillors.

The Panel was advised that this change would result in the SRA paid to the Leader increasing to £32,907, which in turn would have implications for the other SRAs set out in the Members' Allowance Scheme, as all other SRAs were determined as a percentage of the Leader's. As a consequence, the total paid to councillors in one year would increase by approximately £20,000.

Recommendation (2) to Full Council: That the SRA paid to the Leader of the Council be realigned to three times the Basic Allowance paid to individual councillors, as previously recommended by the Panel, and that all other SRAs be adjusted accordingly.

Resolved: That, subject to recommendations 1 and 2 above, the Panel does not wish to make any other recommendations to amend the 2021/22 Members' Allowance Scheme.

4. Any Other Business

None.

5. Date of Next Meeting

The Panel agreed that no further meetings were needed to discuss the 2021/22 Members' Allowance Scheme.

The Panel requested that, rather than meeting to discuss in person, the report of the Independent Remuneration Panel and the recommendations to Full Council be shared with the Panel via email for approval.

Resolved: That the meetings of the Independent Remuneration Panel, due to be held on Wednesday 16 June 2021 and Tuesday 22 June, be cancelled. The date of the next meeting to be confirmed.

The Chair thanked members of the Panel and officers for their attendance and contributions.

L Sales
Director of Corporate Services

County Hall
Preston