

Meeting of the Full Council
Meeting to be held on Thursday, 14 December 2023

Report submitted by: Director of Law and Governance

Part A

Electoral Division affected:
None;

Corporate Priorities:
N/A;

Report of the Independent Remuneration Panel - 2023/24 Members' Allowance Scheme

(Appendix 'A' refers)

Contact for further information:

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Brief Summary

This report sets out the recommendation of the Independent Remuneration Panel in relation to the council's Members' Allowance Scheme for 2023/24 following the Panel's meeting on 24 November 2023.

Recommendation

Full Council is asked to:

- (i) Consider the recommendation of the Independent Remuneration Panel, as set out in the report and at Appendix 'A', relating to the county council's Members' Allowance Scheme; and
- (ii) Subject to (i) above, approve the revised Members' Allowance Scheme for 2023/24 and authorise the Director of Law and Governance to make any consequential changes to the Constitution.

Detail

The county council is required to establish an Independent Remuneration Panel and have regard to its recommendations before any changes are made to its Members'



Allowance Scheme. The county council is also required to approve its Members' Allowance Scheme before the beginning of each financial year.

The Members' Allowance Scheme sets out that:

"The amounts specified in paragraphs 1.0, 2.0, 3.0 and 5.0 (Basic Allowance, Special Responsibility Allowance, Dependants' Carers' Allowance and the Council's Chairman/Vice-Chairman Allowance respectively) of Schedule 'A' are subject to an annual uprating on 1 April. This uprating shall equate to the average annual percentage increase in employees' pay under the National Joint Council for Local Government Services pay structure."

The 2023/24 Members' Allowance Scheme was approved by Full Council at its meeting on 23 February 2023, although at that time the staff pay award had not been finalised.

The staff pay award has now been agreed. In most previous years the pay increase for staff has been expressed as a percentage. However, for 2023/24 a mix of a flat rate increase of £1,925 (for staff on spinal column point 43 or below) or 3.88% (for those on spinal column point 44 and above) has been agreed. This includes an uprating of 3.88% on allowances (such as travel, accommodation, overtime etc).

As the main increase has not been 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. This meeting was held on 24 November 2023.

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

- A copy of the existing Members' Allowance Scheme for 2023/24;
- A report endorsed by North West Employers which provided a comparison between Lancashire County Council's members' allowances and those of other county councils in England; and
- The information and advice of officers on possible increases to councillors' allowance and the financial context.

The Panel also invited views from the political groups on the Members' Allowance Scheme. The Conservative and Labour Groups attended the Panel's meeting to present their views and to make recommendations with regards to changes they wished the Panel to consider.

Having considered the information presented, the Panel recommended to Full Council that:

- The Basic Allowance be increased by £1,925 (the same flat rate as the 2023/24 staff pay award);



- The current ICT and mobile phone subsidies of £240 per year be removed, and be added instead to the Basic Allowance; and
- The Special Responsibility Allowances be increased using the Scheme's existing multipliers and based on the increased Basic Allowance (£13,777).

The Panel was informed that the same percentage increase (18.64%) would also be applied to the Chairman / Vice Chairman Allowances and the Dependants' Carers' Allowance.

The recommended changes above would all apply with effect from 1 April 2023.

The rationale for the Panel's recommendations was:

- To bring Lancashire's members' allowances in line with those of other, similar authorities because research demonstrated that Lancashire paid less than county councils covering similarly sized populations; and
- To recalibrate Lancashire's members' allowances because they had increased below the rate of inflation for several years.

The last major review of members' allowances was in 2003, when the Basic Allowance was set at £8,500. If the Basic Allowance had increased with inflation over that time, it would currently be £14,857.

Full Council will note that uprating members' allowances as recommended by the Panel would increase the total cost of members' allowances by £269,997. Details of the recommended changes are set out at Appendix 'A'.

Full Council is asked to consider the recommendation of the Independent Remuneration Panel as set out above and approve any changes to the Members' Allowance Scheme for 2023/24.

Appendices

Appendix	Title
Appendix A	Recommended changes to the Members' Allowance Scheme 2023/24

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Full Council is required to approve an annual Members' Allowance Scheme having regard to the recommendations made by the council's Independent Remuneration Panel.



Financial

Basic, Special Responsibility and Chairman / Vice Chairman Allowances

The changes to the Members' Allowance Scheme, as recommended by the Independent Remuneration Panel, will result in additional costs of £269,997.

The total costs are as follows:

	Current Total	Recommended Total
Basic Allowances	£975,408	£1,157,268
Special Responsibility Allowances	£446,602	£529,870
Chairman / Vice Chairman Allowances	£26,117	£30,986
Total	£1,448,127	£1,718,124

The additional costs for the recommended Basic, Special Responsibility and Chairman / Vice Chairman Allowances will need to be factored into the next update of the Medium Term Financial Strategy, resulting in additional financial pressure of circa £264,000 above what is already in the Medium Term Financial Strategy for 2024/25. In 2023/24, there will be an in-year pressure of circa £239,000 on the members' allowances budget.

Dependants' Carers' Allowance

In 2022/23 a total of £137.05 was claimed by councillors under the Dependants' Carers' Allowance. Increasing this allowance as recommended by the Panel could therefore be expected to cost an additional £25.55.

However, this allowance is a maximum hourly rate because councillors' claims must be based on actual receipted expenditure. In accordance with the Scheme, total payments per councillor in any one year for this allowance shall not exceed £1,987 (equating to 210 hours at the maximum hourly rate).

Local Government (Access to Information) Act 1985 List of Background Papers

Paper Date Contact/Tel

None

Reason for inclusion in Part II, if appropriate

N/A

