

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF GOVERNANCE	COUNCIL	18 DECEMBER 2023	12

### MEMBERS' ALLOWANCES

#### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

#### RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Finance and Resources (Councillor Ellie Gaunt).

#### PURPOSE OF THE REPORT

The Independent Remuneration Panel met on 9 November 2023 and recommended that Council consider adopting an increase in members' allowances from 1<sup>st</sup> April 2024 by a sum equivalent to the increase in the Consumer Prices Index since 1 April 2023 and subsequently up to 31 March 2028 as detailed below.

#### RECOVERABILITY

This decision is not recoverable because it relates to a recommendation to the council.

#### RECOMMENDATION

That the current basic and special responsibility allowances be increased from 1<sup>st</sup> April 2024 by a sum equivalent to the increase in the Consumer Prices Index since 1 April 2023 and that the allowances be increased by reference to the same index on 1 April in each of the subsequent years 2025, 2026 and 2027.

#### REPORT

1. The Local Authorities (Members' Allowances) (England) Regulations 2003 provide for local authorities to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the council about the allowances to be paid to elected members.
2. The Council must have regard to the recommendations of the Panel.
3. Local authorities must include in their scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances and a dependants' carers' allowance. The Regulations allow the inclusion of a travel and subsistence and a co-optees' allowance within an allowances scheme. These allowances are discretionary.
4. The Independent Panel met on 9 November 2023 and has made recommendations concerning the Council's scheme.
5. The Panel were mindful of the new committee structure that had been implemented in May 2023 and that the number of councillors had reduced from 51 to 37. The Panel commented that the allowances for the new

structure appeared to be appropriate. The Panel also noted that the allowances were in line with neighbouring authorities of similar size, and with authorities of similar size operating a committee system.

6. The Panel were also mindful of the current financial climate, particularly the rate of inflation and the cost of living. The Panel discussed whether to make provision for the annual adjustment of allowances by linking to an index.
7. The Panel having considered the matter recommended that the allowances be index linked to the Consumer Price Index with effect from 1<sup>st</sup> April 2024.
8. In making the recommendation the Panel were mindful that the Local Authorities (Members' Allowances) (England) Regulations 2003 also required them to make a recommendation for how long the index should run before reconsideration, with the period to not exceed a period of four years.
9. The Panel recommended that the members' allowances should be index linked for four years, however they would continue to meet annually to ensure the allowance scheme was running as expected, and if not would reconsider the index linking earlier than 2027.
10. If the recommendation is accepted by Council, changes to allowances will take effect from 1 April 2024.
11. Members are asked to consider the three documents below:
  - Appendix 1: The report to the independent panel on 9/11/2023;
  - Appendix 2: A note of the panel's deliberations and recommendations from 9/11/23;
12. The Council's base budget includes recurring revenue provision of £271,502 per annum for the member's allowance scheme. Any increases in allowances will result in increased revenue costs which will require approval by Council in due course.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	√
Environment – To deliver services customers expect	
Efficiency – By spending money in the most efficient way	√
Tourism – To create a great place to live and visit	

IMPLICATIONS	
Finance	The report recommends annual increases in allowances based upon CPI. The estimated additional cost of an annual CPI increase (calculated using the October 2023 CPI figure of 4.6%, which is the latest published figure) from 1 <sup>st</sup> April 2024 on the current basic and special responsibility allowances is £11,733 per annum from 2024/25 onwards. Future years increases (i.e. from 1 <sup>st</sup> April in each subsequent year) would depend on the rate of CPI each year – if CPI was 4.6% in future years then the additional cost of the recommendations would be a further £11,733 per annum in future years.
Legal	Payment of members' allowances and the amount of such allowances is discretionary. However the council is obliged to "have regard" to the recommendation of the independent panel.
Community Safety	None
Human Rights and Equalities	None

Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

### SUMMARY OF PREVIOUS DECISIONS

Council considers recommendations from the Independent Remuneration Panel each year. Last municipal year, the recommendations were reported to the council 27 March 2023. The decision of the council at that meeting was to increase the level of allowances as a result of the new committee structure.

### BACKGROUND PAPERS REVELANT TO THIS ITEM

Name of document	Date	Where available for inspection
Report to the remuneration panel	November 2023	Town Hall, Lytham St Annes
Notes of remuneration panel meeting	November 2023	Town Hall, Lytham St Annes

LEAD AUTHOR	CONTACT DETAILS	DATE
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Attached documents

Appendix 1: The report to the independent panel on 9/11/2023;

Appendix 2: A note of the panel's deliberations and recommendations from 9/11/23;