

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF GOVERNANCE	MEMBERS' INDEPENDENT REMUNERATION PANEL	9 NOVEMBER 2023	
MEMBERS' ALLOWANCES			

PUBLIC/EXEMPT ITEM

This item is for consideration in a meeting that is not open to the public.

SUMMARY

To brief members of the remuneration panel on the factors that may affect their consideration of the proper level of allowances for members of Fylde Council.

RECOMMENDATIONS

Members of the panel are asked to reach recommendations for the financial year 2024-25 about:

- The level of basic allowance payable to all councillors
- Which councillors are to receive special responsibility allowances
- The levels of special responsibility allowances
- Whether to continue to pay dependants' carers' allowance and, if so, whether to cap the rates payable; and
- Whether to continue to pay travel and subsistence allowances and, if so, of how much

SUMMARY OF PREVIOUS DECISIONS

The Independent Remuneration Panel last met, to review Members' Allowances, on 5 October 2022 and 3 February 2023.

REPORT

Introduction

1. Councillors in local government are not paid a salary, but a conscientious councillor will put in many hours of work each week to fulfil their duties. The system of allowances is intended to provide some compensation for that commitment, time and dedication. Without allowances, many people may be discouraged from standing serving as councillors. Allowances should therefore be at a level that will allow high calibre candidates from all sectors of the community to stand for election or to serve as councillors.
2. As panel members will recall, 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.
3. The council must have regard to the recommendations of the panel.
4. 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 also allow (but don't require) the inclusion of a travel and subsistence allowance and an allowance for attendances at conferences ('co-optee's allowance') and meetings within an allowances scheme.

5. The existing members' allowances scheme, adopted by the council following consideration of the recommendations of the independent remuneration panel, and which is subject to review in respect of the period beginning 1 April 2024, is as set out as appendix 1. For convenience, the levels of basic and special responsibility allowances presently payable are set out in paragraph 24.
6. Paragraphs 9 to 23 below are based on previously published guidance from the Department for Levelling Up, Housing and Communities on members' allowances, subject to deletion of material now superseded and material not now applicable to Fylde.
7. In summary, the allowances which are or may be payable to members of local authorities are as follows:
 - basic allowance
 - special responsibility allowance
 - dependants' carers' allowance
 - travelling and subsistence allowance
 - Co-optee's allowance.

Basic allowance

8. Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members of the authority. The allowance must be the same for each member. The allowance may be paid in a lump sum, or in instalments through the year.
9. Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.

Special responsibility allowance

10. Each local authority may also make provision in its scheme for the payment of special responsibility allowances for those councillors who have significant responsibilities. Special responsibility allowance may be payable for duties which fall within the following categories:
 - acting as leader or deputy leader of a political group
 - presiding at meetings of a committee, sub-committee, or joint committee
 - representing the authority at meetings of another body
 - membership of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
 - acting as a spokesperson for a political group on a committee or sub-committee
 - membership of a panel dealing with licensing or controlling any activity
 - any other activities in relation to the discharge of the authority's functions as to require equal or greater effort of the member than any of the activities listed above.
11. A scheme must also specify the amounts of allowance to be paid for each such responsibility.
12. Where, as at Fylde, one political group is in control, and where an authority has decided to pay special responsibility allowances, the authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group.

Dependants' carers' allowance

13. A scheme of allowances may also include the payment of a dependants' carers' allowance to those councillors who incur expenditure for the care of children or other dependants whilst undertaking particular duties. These duties are specified in the Regulations and are as follows:
 - a meeting of the authority

- a meeting of a committee or sub-committee of the authority
- a meeting of some other body to which the authority make appointments or nominations, or
- a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
- a meeting which has both been authorised by the authority, a committee, or subcommittee of the authority, and to which representatives of more than one political group have been invited
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Travelling and subsistence allowance

14. Each local authority may also make provision in its scheme for the payment of a travelling and subsistence allowance to its members. This may include provision for the payment of an allowance for those members who travel by bicycle or other non-motorised transport.

15. The Regulations provide that travelling and subsistence allowances may be paid for:

- a meeting of the authority
- a meeting of a committee or sub-committee of the authority
- a meeting of some other body to which the authority make appointments or nominations
- a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
- a meeting which has both been authorised by the authority, a committee, or subcommittee of the authority or a joint committee of the authority and one or more other authorities, and to which representatives of more than one political group have been invited
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Backdating of Allowances

16. When a scheme of allowances is amended, an authority may choose to apply the amendment retrospectively to the beginning of the financial year in which the amendment is made.

17. Where a councillor takes on duties entitling them to a different level of allowances (e.g. where a councillor is appointed to a position entitling them to special responsibility allowance), the new level of allowances may be applied retrospectively to the time at which the circumstances changed.

18. Independent remuneration panels may make recommendations, where relevant, as to whether the payments on which they have made a recommendation may be backdated. Authorities must have regard to these recommendations.

Annual Adjustments of Allowance levels

19. A scheme of allowances may make provision for an annual adjustment of allowances to be ascertained by reference to an index as may be specified by the authority and contained in the scheme. The scheme must be publicised each year, whether or not it has been amended.

20. Where the only change made to a scheme is that caused by the annual impact of an index contained within that scheme, the scheme shall not be considered to have been amended, and thus an authority will not have to seek a recommendation from its independent remuneration panel.

21. Where a panel recommends that allowance levels should be determined according to an index, it should also make a recommendation as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an independent remuneration panel.

Forgoing allowances

22. A scheme must provide that a person may forgo all or part of any allowances to which they are entitled. To do this they must give notice in writing to the proper officer of the authority.

Basic and special responsibility allowances at Fylde Council

23. The present allowances scheme at Fylde, which was approved at the Council meeting of 27 March 2023 and following the recommendations of the panel last year, provides for a basic allowance of £4,540 and the following special responsibility allowances:

Leader of the Council – £12,059

Deputy Leader – £3,621

Chairmen of Executive Committee, Planning Committee and scrutiny committees – £4,824

Vice Chairmen of above – £2,412

Chairmen of Audit and Governance Committee and Standards Committee – £1,958

Vice-Chairman of above – £982

Chairmen of Public Protection and Licensing – £1,958

Vice-Chairmen of above – £982

Lead members - £4,824

Leader of each political group – £39 per group member

24. For completeness, members should note that the chairman of the Chief Officers Employment Committee does not receive an allowance because the committee meets only infrequently. Additionally, the chairman of the Economic Prosperity Board does not receive an allowance since the role is alternated between the representatives of the three constituent councils, who are the respective council leaders.

25. The budget provision for the above allowances for the council for 2023/24 is as follows:

Allowance Type	Amount per allowance	Number of positions	Total Budget for allowance
Basic	£4,540	37	£167,980
Leader of the Council	£12,059	1	£12,059
Deputy Leader of the Council	£3,621	1	£3,621
Chairmen of Executive, Scrutiny and Planning Committees	£4,824	4	£19,296
Vice Chairmen of above	£2,412	4	£9,648
Chairmen of Audit & Governance, and Standards Committees	£1,958	2	£3,916
Vice Chairmen of above	£982	2	£1,964
Chairmen of Public Protection and Licensing Committees	£1,958	2	£3,916
Vice Chairmen of above	£982	2	£1,964
Lead Members	£4,824	6 max	£28,944
Leader of each Political Group	£39	37 max	£1,443
Total			£254,751

In addition to the above, the council also budgets for national insurance, car mileage and technology allowance costs for members.

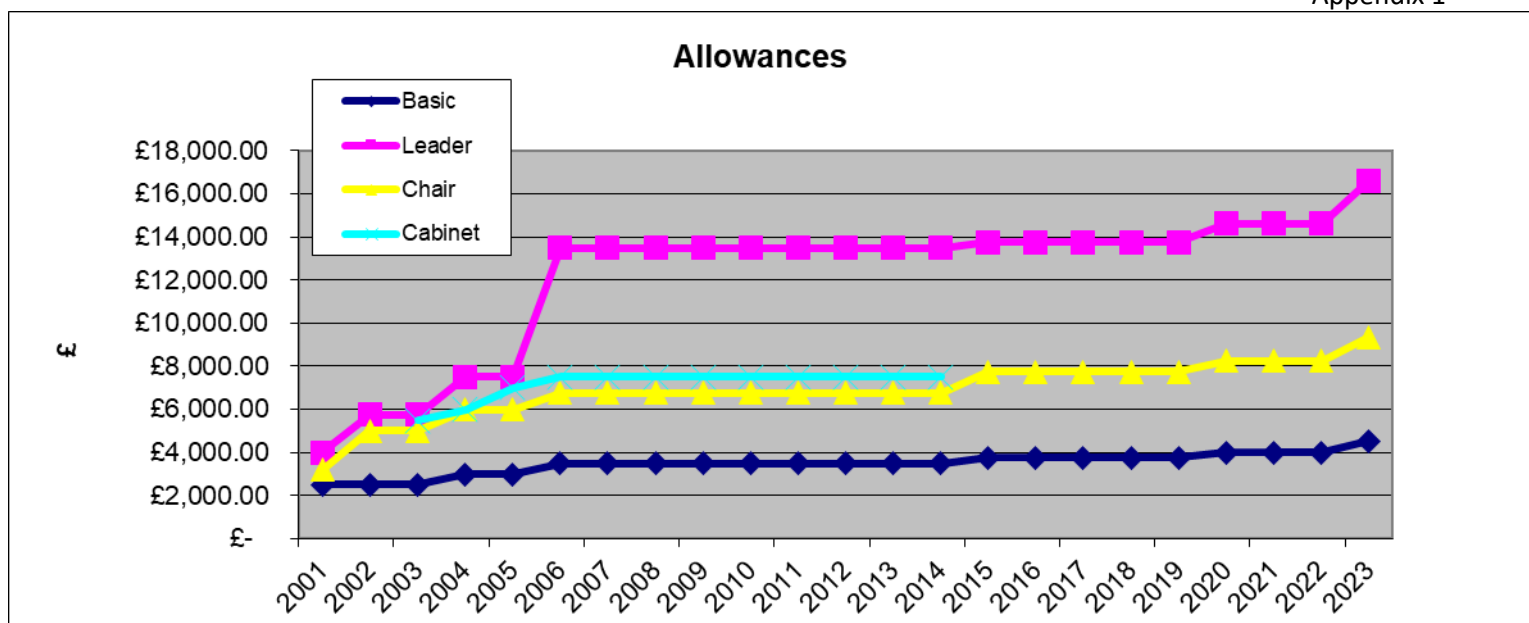
Financial Context

26. Though the council continues to benefit from prudent financial management and is debt-free, there is still uncertainty about the medium-term financial outlook. Like other local authorities, the council's financial position depends to a significant extent on government funding decisions, which will not become clearer until HM Treasury announces future funding in December. At present, it is anticipated that the announcement will set out funding levels for one year ahead, rather than for a longer period. In particular, there is uncertainty about the level going forward of New Homes Bonus and retained business rates. Inflationary pressures on council budgets have been intense during the past year, including, but not limited to, employee, building industry, fuel and energy costs. Those pressures are expected to continue, at least in the medium term. Consequently, the Council continues to explore and implement where possible opportunities to reduce expenditure including taking advantage of efficiency-savings and to maximise income generating activities.

Historical data

27. The following table and graph show allowance levels at Fylde since 2001. Please note that the figures for leader and chairman include both the basic allowance payable to all councillors and the special responsibility allowance payable for their position (but excludes the allowance paid to the Leader as leader of a political group, which varies according to the membership of the group, but is presently £612).

	Basic	Leader	Chair	Cabinet/Lead member
2001	£ 2,500.00	£ 4,000.00	£ 3,200.00	
2002	£ 2,500.00	£ 5,750.00	£ 5,000.00	
2003	£ 2,500.00	£ 5,750.00	£ 5,000.00	£ 5,500.00
2004	£ 3,000.00	£ 7,500.00	£ 6,000.00	£ 6,000.00
2005	£ 3,000.00	£ 7,500.00	£ 6,000.00	£ 7,000.00
2006	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2007	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2008	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2009	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2010	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2011	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2012	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2013	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2014	£ 3,500.00	£ 13,500.00	£ 6,750.00	£ 7,500.00
2015	£ 3,750.00	£ 13,750.00	£ 7,750.00	
2016	£ 3,750.00	£ 13,750.00	£ 7,750.00	
2017	£ 3,750.00	£ 13,750.00	£ 7,750.00	
2018	£ 3,750.00	£ 13,750.00	£ 7,750.00	
2019	£ 3,750.00	£ 13,750.00	£ 7,750.00	
2020	£ 4,000.00	£ 14,625.00	£ 8,250.00	
2021	£ 4,000.00	£ 14,625.00	£ 8,250.00	
2022	£ 4,000.00	£ 14,625.00	£ 8,250.00	
2023	£ 4,540.00	£ 16,599.00	£ 9,364.00	£ 9,364.00

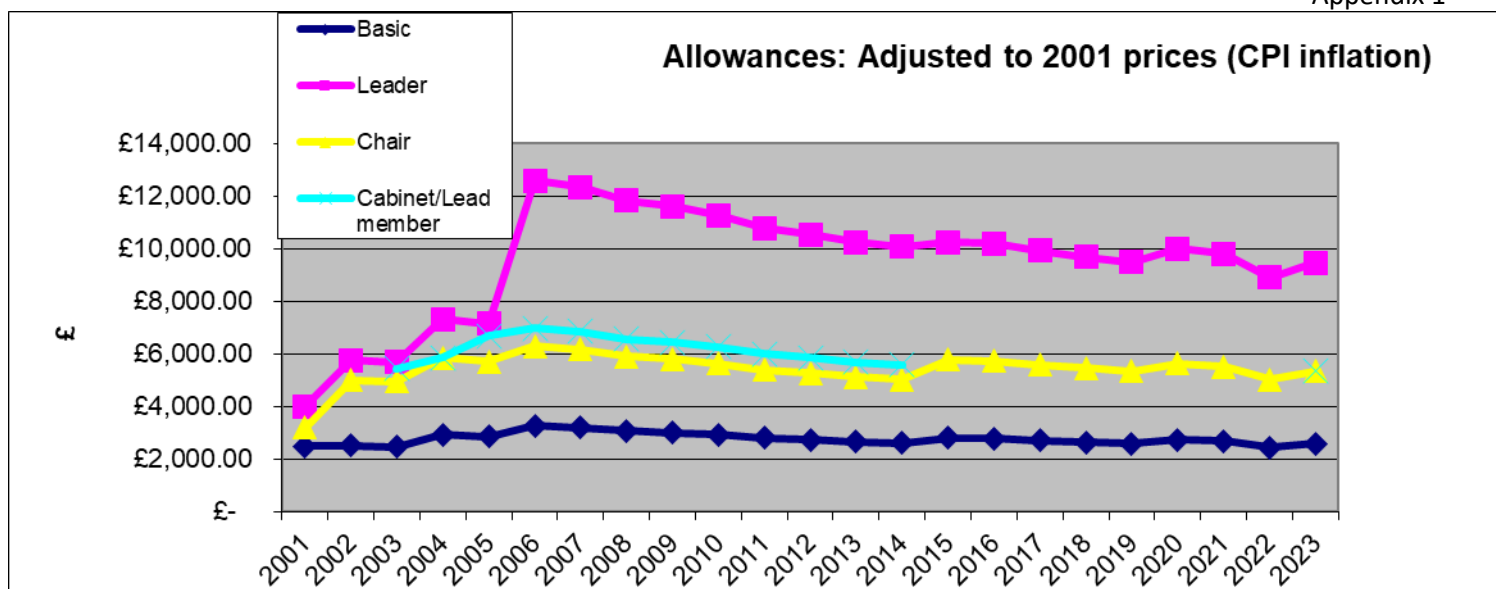


The following table and graph¹ shows the same data adjusted for inflation² since 2001:

	Basic	Leader	Chair	Cabinet/Lead member
2001	£ 2,500.00	£ 4,000.00	£ 3,200.00	
2002	£ 2,503.36	£ 5,757.73	£ 5,006.72	
2003	£ 2,473.44	£ 5,688.91	£ 4,946.88	£5,441.57
2004	£ 2,925.39	£ 7,313.48	£ 5,850.79	£5,850.79
2005	£ 2,858.06	£ 7,145.14	£ 5,716.11	£6,668.80
2006	£ 3,259.38	£ 12,571.88	£ 6,285.94	£6,984.38
2007	£ 3,199.39	£ 12,340.49	£ 6,170.25	£6,855.83
2008	£ 3,064.04	£ 11,818.45	£ 5,909.22	£6,565.80
2009	£ 3,007.50	£ 11,600.35	£ 5,800.17	£6,444.64
2010	£ 2,919.93	£ 11,262.60	£ 5,631.30	£6,257.00
2011	£ 2,794.75	£ 10,779.74	£ 5,389.87	£5,988.75
2012	£ 2,727.51	£ 10,520.40	£ 5,260.20	£5,844.67
2013	£ 2,652.59	£ 10,231.43	£ 5,115.72	£5,684.13
2014	£ 2,610.11	£ 10,067.57	£ 5,033.78	£5,593.09
2015	£ 2,793.75	£ 10,243.75	£ 5,773.75	
2016	£ 2,777.09	£ 10,182.65	£ 5,739.31	
2017	£ 2,707.12	£ 9,926.11	£ 5,594.72	
2018	£ 2,640.60	£ 9,682.18	£ 5,457.23	
2019	£ 2,589.20	£ 9,493.74	£ 5,351.02	
2020	£ 2,731.44	£ 9,986.82	£ 5,633.59	
2021	£ 2,677.45	£ 9,789.42	£ 5,522.24	
2022	£ 2,432.65	£ 8,894.39	£ 5,017.35	
2023	£ 2,583.88	£ 9,447.10	£ 5,329.40	£5,329.40

¹ The allowance shown for those members receiving a special responsibility allowance includes their basic allowance and their special responsibility allowances, other than allowances as group leaders.

² The measure of inflation used is the Consumer Prices Index (CPI), which is the ONS lead index for consumer prices.



Comparisons with other authorities

28. Officers have carried out a survey of current members' allowances schemes, which is included as appendix 2. The survey covers all other district councils in Lancashire. The comparative information below is taken from this survey except where noted. Members will note that Blackburn with Darwen and Blackpool are unitary authorities, which deal with the full range of council functions.

29. Other district councils have changed to a committee system since the Localism Act 2011 made it possible to do so. The spreadsheet at appendix 2 includes information about allowances payable by three such authorities.

30. For ease of reference, I set out comparisons between Fylde and relevant averages below:

- The basic allowance³ at Fylde (£4,540) is **below** the average for all councils in Lancashire (£5,018) but **above** the average for shire districts in Lancashire (£4,291). The cost of basic allowance per head of population per year is just above the average among shire districts in Lancashire (£2.06).
- The special responsibility allowance for the leader of the council at Fylde (£12,059) is **below** the average for all councils in Lancashire (£15,589) and **below** the average for shire districts in Lancashire (£13,588).

Lead members

31. The panel was tasked last year with recommending an allowance for lead members. The lead member role was created as part of the new committee structure that took effect in May 2023. Panel members may be interested in this description of the lead member role based on how it has functioned so far.

32. There are six lead members, who have been assigned the following portfolios:

- Corporate and economic development
- Customer and operational services
- Environment
- Finance and resources
- Social wellbeing
- Tourism, leisure and culture

³ Figures rounded to the nearest pound

33. Each lead member is entitled to regular briefings from each head of service whose service falls wholly or partly within their portfolio. Lead members present items within their portfolio at council and Executive Committee meetings. Lead members collectively (with the leader and deputy leader) form the Leadership Board, which meets at least monthly and whose remit is “to provide a steer to senior managers on all aspects on the strategic corporate direction facing the Council together with project board updates and overview, together with budget setting”.
34. Lead members can also be asked to attend before either of the council’s scrutiny committees to be questioned by scrutiny councillors on matters within their portfolio.

IMPLICATIONS	
Finance	The Council’s base revenue budget includes recurring provision of £271,502 per annum for members’ allowances as set out in paragraph 8 of this report. Any increases in allowances will result in increased revenue costs which will require approval by Council in due course.
Legal	The council must take into account the views of the panel when reviewing members’ allowances.
Community Safety	None arising from this report
Human Rights and Equalities	The allowances scheme should enable people from all sectors of the community to serve as elected members without suffering a financial detriment by doing so.
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Ian Curtis	01253 658506	20 September 2023

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection