

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF GOVERNANCE	COUNCIL	27 MARCH 2023	10
MEMBERS' ALLOWANCES			

PUBLIC ITEM

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

SUMMARY

The Independent Remuneration Panel met on 5 October 2022 and again on 3 February 2023 and recommended that Council consider adopting an increase in members' allowances for the financial year 2023-24 as detailed below.

The Panel was mindful of the proposed new committee structure that is intended to be implemented following the May 2023 local elections and the fact that the number of councillors will be reduced from 51 to 37. The Panel was also mindful of the current financial climate. The recommendations also took account of the intention that some members of the council would be designated as lead members following the adoption of the new committee structure and recommended a special responsibility allowance for those councillors.

RECOMMENDATION

To adopt the following recommendations of the Independent Remuneration Panel with effect from 9 May 2023:

- I. To increase to the level of basic allowance to £4,540
- II. To increase the special responsibility allowances as follows:
 - Leader of the Council - £12,059
 - Deputy Leader - £3,621
 - Chairmen of Policy, Scrutiny & Planning Committees - £4,824
 - Vice-Chairman of above - £2,412
 - Chairmen of Audit and Standards committees- £1,958
 - Vice- Chairmen of Audit and Standards committees - £982
 - Chairmen of Public Protection and Licensing committees - £1,958
 - Vice-Chairmen of above - £982
 - Chairman of Member Development Steering Group - £2,412
 - Leader of each political group - £39 per group member
- III. To introduce a special responsibility allowance for lead members of £4,824
- IV. To maintain the present level of travel and subsistence allowances and dependent carers' allowance for 2023-24.
- V. To amend the Policy on the Operation of the Mayoralty to reflect that mayoral allowances will receive an annual uplift based on CPI levels, with a cap of 2.5%

SUMMARY OF PREVIOUS DECISIONS

Council considers recommendations from the Independent Remuneration Panel each year. Last municipal year, the recommendations were reported to the council 6 December 2021. The decision of the council at that meeting was not to increase the level of allowances.

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	

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 5 October 2022 and again on 3 February 2023 and has made recommendations concerning the Council's scheme.
5. The Panel was mindful of the proposed committee structure that will be implemented following the May 2023 local elections and the fact that the number of councillors will be reduced from 51 to 37. The Panel was also mindful of the current financial climate. The recommendations also took account of the intention that some members of the council would be designated as lead members following the adoption of the new committee structure and recommended a special responsibility allowance for those councillors at the same level as that for chairmen of the Executive, Planning and scrutiny committees.
6. Any changes to allowances would normally take effect from 1 April. However, given that changes to the number of councillors and the committee structure would take effect following the elections in May 2023, the panel recommended that any changes should take effect from May 8, when the councillors elected take office, with the existing allowances remaining in place until then. Since the panel met, a bank holiday to mark the coronation of His Majesty the King has been announced for May 8. This means that the day on which councillors will take office following the May elections will now be May 9, not May 8. Accordingly, the committee is requested to stipulate that any changes that it makes to allowances should take effect on May 9 2023.
7. Members are asked to consider the three documents below:
 - Appendix 1: The report to the independent panel on 5/10/2022;
 - Appendix 2: A note of the panel's deliberations and recommendations from 5/10/22;
 - Appendix 3: A note of the panel's deliberations and recommendations from 3/2/23
8. The recommendations of the panel as set out at the head of this report have been rounded to the nearest pound from the calculations considered by the panel, as the panel requested.

FINANCIAL IMPLICATIONS

9. The following table was presented to the panel as an indication of the potential costs of the new rates, based on there being 4 new Lead Member roles:

New Structure with new rates (incl Lead Members)

Allowance Type	Amount per allowance	Number of positions	Total Amount of allowance
Basic	£4,540	37	£167,980.00
Leader of the Council	£12,059.38	1	£12,059.38
Deputy Leader of the Council	£3,620.65	1	£3,620.65
Chairmen of Policy, Scrutiny and Planning Committees	£4,823.75	4	£19,295.00
Vice Chairmen of above	£2,411.88	4	£9,647.50
Chairmen of Audit & Standards	£1,957.88	2	£3,915.75
Vice Chairman of above	£981.78	2	£1,963.55
Chairmen of Public Protection and Licensing	£1,957.88	2	£3,915.75
Vice Chairmen of above	£981.78	2	£1,963.55
Chairman of Member Development Group	£2,411.88	1	£2,411.88
Lead Members	£4,823.75	4	£19,295.00
Leader of each Political Group	£38.59	37 max ¹	£1,427.83
Total			£247,495.84

¹ Calculation based on number of councillors

10. The Council's base budget includes recurring revenue provision of £280,602 per annum for the member's allowance scheme. If approved, the proposals in the report can be met from the existing revenue budget provision, with a recurring saving of approximately £33k per annum based on the assumptions in the table above. The actual saving will vary depending upon the number of Lead Members appointed, and the number of Leaders of Political Groups. The next update of Council's financial forecast will be updated to reflect the final saving once these factors are finalised.

IMPLICATIONS	
Finance	Financial implications of the proposals are set out in the body of the report.
Legal	Payment of members' allowances and the amount of such allowances is discretionary. However, the council is obliged to "have regard" to the recommendations of the independent panel.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

¹ Calculation based on number of councillors

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Report to remuneration panel	October 2022	Town Hall, Lytham St Annes
Notes of remuneration panel meeting	October 2022	Town Hall, Lytham St Annes
Notes of remuneration panel meeting	February 2023	Town Hall, Lytham St Annes

Attached Documents

Appendix 1: The report to the independent panel on 5/10/2022;

Appendix 2: A note of the panel's deliberations and recommendations from 5/10/22;

Appendix 3: A note of the panel's deliberations and recommendations from 3/2/23