



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	MEMBERS' INDEPENDENT REMUNERATION PANEL	14 SEPTEMBER 2020	1
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 are asked to reach recommendations for the financial year 2021-22 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 13 September 2019.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

Introduction

1. 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.
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 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 commencing 1 April 2021, 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.
5. Paragraphs 9 to 23 below are based on previously published guidance from the Ministry of Housing, Communities and Local Government on members' allowances, subject to deletion of material now superseded and material not now applicable to Fylde.
6. 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.

Budget Provision

7. Historic reductions in funding have meant that the Council has needed to take steps to reduce expenditure and maximise income generating activities in the current and future years. Based on the latest forecast position the Council is currently budgeting for a surplus in the current year followed by deficits in future years. Much uncertainty over future funding remains, with the eagerly awaited outcome of the Fair Funding Review into the funding arrangements for Local Government being delayed from publication in 2019 to 2021 at the earliest. In addition, the financial impact of the COVID19 pandemic on the Council continues to be assessed. Whilst the Government have provided initial funding to Councils to cover costs and offset lost income, the impact in the medium term on income received from Council Tax and Business Rates which fund the delivery of services provided by the council remains unclear. Consequently, the Council continues to explore and implement where possible opportunities to reduce expenditure including taking advantage of efficiency-savings achieved through the restriction on non-essential spending and to maximise income generating activities.
8. The annual recurring budgeted cost of members' allowances and expenses to the council based on the present allowances scheme is set out in Table 1 –

Table 1 – Annual Estimated Members Allowances & Expenses – Budget provision 2020/21

• Basic Allowances	£205,200
• Independent Person Allowances	£1,050
• Special Responsibility Allowances	£59,802
• National Insurance	£1,500
• Car Mileage	£3,800
• Total Budget Provision	£271,352

Basic allowance

9. 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.
10. 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

11. 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.
12. A scheme must also specify the amounts of allowance to be paid for each such responsibility.
13. 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

14. 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

15. 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.
16. 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

17. 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.
18. 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.
19. Independent remuneration panels may make recommendations, where relevant, as to whether the payments on which they have made a recommendation may be backdated. Authorities will be required to have regard to these recommendations.

Annual Adjustments of Allowance levels

20. 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.
21. 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 deemed to have been amended, and thus an authority will not have to seek a recommendation from its independent remuneration panel.
22. Where a panel makes a recommendation 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

23. 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

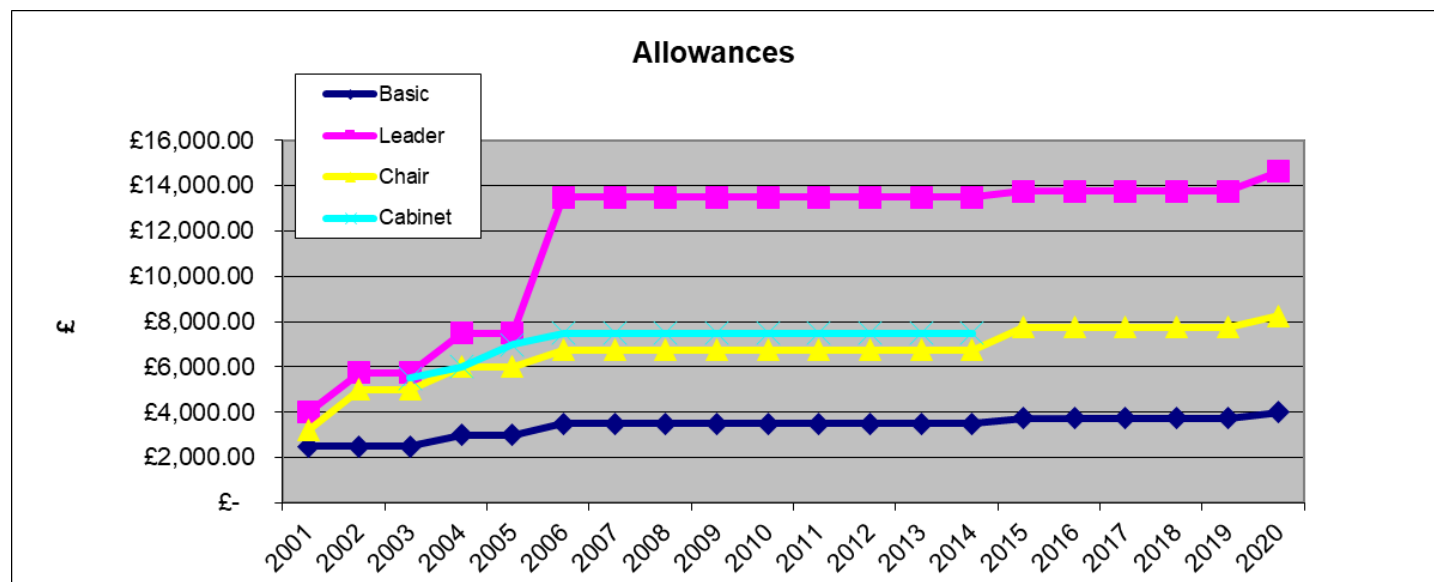
24. The present allowances scheme at Fylde, which was approved at the Council meeting of 14 October 2019 and reflected unchanged following the recommendations of the panel last year, provides for a basic allowance of £4,000 and the following special responsibility allowances:

Leader of the Council – £10,625
 Deputy Leader – £3,190
 Chairmen of Programme Committees and Planning Committee – £4,250
 Vice Chairmen of above – £2,125
 Chairman of Audit and Standards – £3,450
 Vice-Chairman of Audit and Standards – £1,725
 Chairmen of Public Protection and Licensing – £1,725
 Vice-Chairmen of above – £865
 Chairman of Member Development Steering Group – £2,125
 Leader of each political group – £34 a member

Historical data

25. 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 particular 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 £1,054).

	Basic	Leader	Chairman
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
2004	£ 3,000.00	£ 7,500.00	£ 6,000.00
2005	£ 3,000.00	£ 7,500.00	£ 6,000.00
2006	£ 3,500.00	£ 13,500.00	£ 6,750.00
2007	£ 3,500.00	£ 13,500.00	£ 6,750.00
2008	£ 3,500.00	£ 13,500.00	£ 6,750.00
2009	£ 3,500.00	£ 13,500.00	£ 6,750.00
2010	£ 3,500.00	£ 13,500.00	£ 6,750.00
2011	£ 3,500.00	£ 13,500.00	£ 6,750.00
2012	£ 3,500.00	£ 13,500.00	£ 6,750.00
2013	£ 3,500.00	£ 13,500.00	£ 6,750.00
2014	£ 3,500.00	£ 13,500.00	£ 6,750.00
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

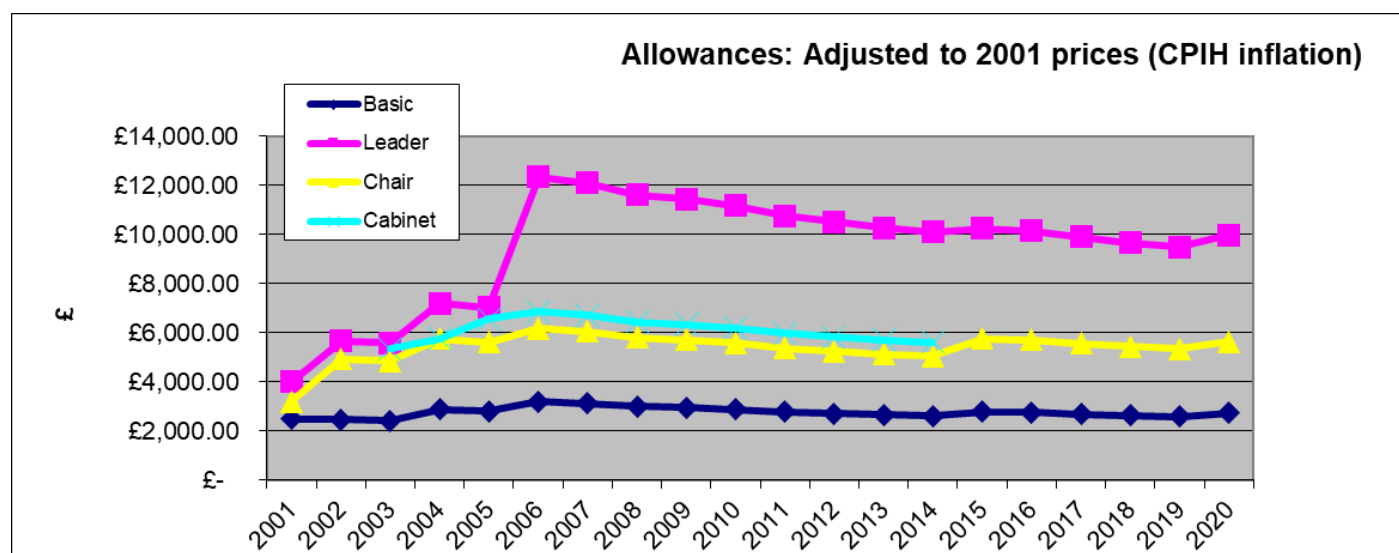


The following table and graph¹ shows the same data adjusted for inflation² since 2001:

	Basic	Leader	Chair	Cabinet
2001	£ 2,500.00	£ 4,000.00	£ 3,200.00	
2002	£ 2,463.62	£ 5,666.34	£ 4,927.25	
2003	£ 2,431.46	£ 5,592.36	£ 4,862.92	£5,349.22
2004	£ 2,876.45	£ 7,191.12	£ 5,752.90	£5,752.90
2005	£ 2,811.32	£ 7,028.30	£ 5,622.64	£6,559.75
2006	£ 3,199.39	£ 12,340.49	£ 6,170.25	£6,855.83
2007	£ 3,137.79	£ 12,102.89	£ 6,051.44	£6,723.83
2008	£ 3,010.97	£ 11,613.74	£ 5,806.87	£6,452.08
2009	£ 2,963.07	£ 11,428.98	£ 5,714.49	£6,349.43
2010	£ 2,897.22	£ 11,175.00	£ 5,587.50	£6,208.33
2011	£ 2,788.77	£ 10,756.68	£ 5,378.34	£5,975.94
2012	£ 2,724.66	£ 10,509.40	£ 5,254.70	£5,838.56
2013	£ 2,660.71	£ 10,262.76	£ 5,131.38	£5,701.53
2014	£ 2,617.97	£ 10,097.89	£ 5,048.95	£5,609.94
2015	£ 2,793.75	£ 10,243.75	£ 5,773.75	£ -
2016	£ 2,768.83	£ 10,152.38	£ 5,722.25	
2017	£ 2,699.28	£ 9,897.34	£ 5,578.50	
2018	£ 2,638.10	£ 9,673.04	£ 5,452.08	
2019	£ 2,586.81	£ 9,484.95	£ 5,346.06	
2020	£ 2,728.94	£ 9,977.68	£ 5,628.43	

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 in previous years has been the Retail Prices Index (RPI), which, though still published, is no longer regarded as a national statistic. The index used this year is the Consumer Prices and Housing Index (CPIH), which is now the ONS lead index for consumer prices.



Comparisons with other authorities

26. 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 whole range of council functions.
27. 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 four such authorities.
28. For ease of reference, I set out comparisons between Fylde and relevant averages below:
 - The basic allowance³ at Fylde (£4,000) is **below** the average for all councils in Lancashire (£4,671) and **below** the average for shire districts in Lancashire (£4,005). However, the cost of basic allowance per head of population per year is the highest among shire districts in Lancashire (£2.56).
 - The special responsibility allowance for the leader of the council at Fylde (£10,625) is **below** the average for all councils in Lancashire (£14,851) and **below** the average for shire districts in Lancashire (£13,077).

Other matters

29. Following consultation with the Chairman of the Panel, Group Leaders were invited to submit comments to the Panel to consider as a part of their deliberations. Councillor Karen Buckley, Leader of the Council, has requested that the following is drawn to the attention of the Panel on behalf of her Group. The Leader of the Opposition did not wish to put any comments forward to the Panel on this occasion.
 - *We would like the allowance for Mayor and Deputy Mayor to be included in the list for review (as I believe this hasn't been reviewed for many years) and because there is a disparity between the two allowances (£11,207/£1,842).*
 - *We would like the panel to consider whether they think it appropriate to link annual increases in allowances to staff salary increases so, for example, if salaries increase by 2% then so do the council allowances or to link it to inflation.*

³ Figures rounded to the nearest pound

30. With respect to Mayoral Allowances, based on a request earlier this year, research was undertaken regarding the respective level of allowances for both the Mayor and Deputy Mayor both within Lancashire and compared against out CIPFA family group. The outcome of this research is set out below for information. Whilst consideration of mayoral allowances sits outside of the formal role of the Panel, it would be permissible for the Panel to make observations on the level of remuneration for this office if it wished to do so. The mayoral allowances at Fylde Council are currently uplifted each year in line with inflation.

Mayoral Allowances (Lancashire) 2018/19

Local Authority	Mayor	Deputy	Deputy's allowance as a % of Mayor's
West Lancashire	£8,910	£1,760	19.7%
Fylde	£11,207	£1,842	16.4%
Chorley	£9,750	£1,950	20%
Blackburn	£12,000	£4,000	33.3%
Burnley	£6,095	£100	1.6%
Preston	£5,898	£812	13.7%
Hyndburn	£8,367	0	0
Rossendale	£3,500	£500	14.2%
Blackpool	£14,190	£3,441	24.2%
Lancaster	£6,720	£1,335	19.8%
Ribble Valley	£8,660	£1,320	15.2%
South Ribble	£7,800	£2,080	26.6%
Pendle	£5,130	0	0
Wyre	£9,423	£1,848	19.6%

CIPFA Family 2019/20

Council	Mayor/Chairman	Deputy Mayor/ Vice Chairman	Deputy's allowance as a % of Mayor's
Arun	£8,320	£2,745	32.9%
Craven	£3,019	£924	30.6%
East Devon	£7,813	£2,998	38.3%
Fareham	£4,722.40	£885.45	18.7%
Lewes	No response to 2 emails		
North Devon*	£5,000	£500	10%
Rochford	£5,000	£2,500	50%
Rother	£3,330	£550	16.5%
South Hams	£5,254	£1,314	25%
South Lakeland	£1,863	0	0
Teignbridge	£11,978	£2,994	24.9%
West Devon	£3,000	£825	27.5%

***Not an allowance** – a budget which covers hospitality, civic functions costs, travel to civic functions etc.

IMPLICATIONS	
Finance	The Council's base revenue budget includes recurring provision of £271,352 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	
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	
Health & Safety and Risk Management	

LEAD AUTHOR	CONTACT DETAILS	DATE
Ian Curtis	01253 658506	20 August 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

Attached documents

Appendix 1 Existing Members Allowance Scheme

Appendix 2 Allowance Schemes at Other Authorities