

COUNTY COUNCIL

Meeting date: 9 January 2020

From: The Leader of the Council

MEMBERS ALLOWANCES SCHEME 2020-2021

ADVICE OF EXECUTIVE DIRECTOR

1.0 EXECUTIVE SUMMARY

- 1.1 *All Councils are required annually to make a scheme for the payment of basic and other specified allowances to elected members. This report seeks approval for a scheme for the financial year 2020-2021.*
- 1.2 *Before making a scheme the Council must have regard to the recommendations of its independent remuneration panel.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 *It is a statutory requirement that the Council makes a scheme annually for the payment of allowances to members.*

3.0 RECOMMENDATION

- 3.1 *The Council is recommended to consider the report of the Independent Remuneration Panel and make a scheme for members' allowances for the year beginning 1 April 2020.*

The options available to members are set out in paragraph 5.

- 3.2 *The Council is asked to note that the Constitution will be updated as necessary by the Monitoring Officer to reflect the Members Allowances Scheme made by the Council.*

4.0 BACKGROUND

- 4.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require all councils to annually "make a scheme" for the payment of basic and other specified allowances to elected members. The Scheme should be made prior to the start of the financial year but can be amended at any time during the year.

4.2 The Regulations also require local authorities to establish an independent remuneration panel to review and make recommendations on a scheme of allowances to be paid to members and others. In making a scheme, the Council must have regard to the recommendations of its panel.

4.3 The Independent Remuneration Panel has conducted a review of the Council's current Scheme of allowances in place for members of Cumbria County Council. Its proposals are set out in Appendix 1 of its report, "Recommendations for Councillors' Remuneration for the Financial Year 2020/21."

4.4 The Panel was asked to consider the following as part of the review:-

- **The level of basic allowance**

All 84 Councillors receive a basic allowance of **£8,573** per annum. This allowance has been in effect since 1 April 2019.

- **Special Responsibility Allowances**

The duties for which special responsibility allowances are paid and the amount of such allowances.

- **Dependents' Carers' Allowances**

The entitlement to and the amount of dependents carers' allowance.

- **Travelling and Subsistence Allowance (Regulation 8)**

The duties in respect of which members are entitled to claim travel and subsistence allowances (Members Allowances Scheme Schedule 2) and the clarity and presentation of Schedule 2.

The Panel was also asked to consider the levels of subsistence (Members Allowances Scheme paragraph 2.24 and 2.27) particularly for overnight stays in London.

- **Co-opted Members Allowances (Regulation 9)**

The entitlement to and amount of allowances payable to co-opted members appointed to the office of Chair/Vice Chair. The Panel was also requested to consider the payment of travel and subsistence allowances to co-opted members of the LEP Scrutiny Committee, who are district councillors and who are not currently entitled to claim travel and subsistence under the Council's voting scheme for LEP Scrutiny.

- **Indexation (Regulation 10)**

The Panel was asked to consider indexation in its review and if it is minded to recommend indexation, to recommend an index against which the Scheme could be adjusted with certainty during the years of indexation.

4.5 Following the review the Independent Remuneration Panel recommends:-

Basic Allowance

An increase to £8,744.46 (+2%) (paragraph 4 of report of the Independent Remuneration Panel)

Special Responsibility Allowances

The Council's chosen governance model is that of Strong Leader and Cabinet. The Panel concluded that allowances for Executive roles are not presently at realistic levels and are still very much at the lower end of SRAs for similar roles among the peer group of councils. In the context of the significant challenges currently faced by the leadership on behalf of the Council, to avoid these SRAs falling further behind the peer group and to reflect the evidence on pay trends over the next couple of years the Panel recommend an increase of 2% in SRAs specified below with effect from 1 April 2020:

Leader of the Council – increase to £26,270 per annum (+2%)

Deputy Leader – increase to £14,711 per annum (+2%)

Cabinet Members – increase to £10,508 per annum (+2%)

Chair of Scrutiny Management Board – increase to £10,508 per annum (+2%).

Having reviewed all other SRAs, the Panel concluded that existing levels are appropriate given the responsibilities inherent in the remaining Chair roles and in the absence of representations that serious anomalies had arisen since the Panel's last review. To reflect evidence on pay trends over the next couple of years the Panel recommends an increase of 2% for all other SRAs with effect from the 1 April 2020.

The Panel made further recommendations that the Council should continue to adhere to the established conventions that no councillor should receive more than one SRA and that no more than 50% of elected members should receive an SRA and strongly recommends that the outstanding profiles for roles in receipt of SRAs should be completed with urgency.

Dependents' Carers' Allowance

The Panel concluded that current arrangements are inadequate and recommends that the rate of dependents' carers' allowance should be set at the level of the national minimum wage at time of implementation of the recommendations up to a maximum of £2000 per annum.

Travel and Subsistence Allowances

The Panel concluded that while the arrangements for mileage compensation are working effectively and do not require amendment the arrangements for Subsistence payments should be modified to reflect best practice. The Panel recommends that subsistence claims should be only paid upon presentation of receipts and should be covered by the existing out of pocket allowances. However the panel recognised that some members may elect to stay with

friends or family and in recognition of this a £25 out of pocket expense should be claimable without presentation of a receipt.

Co-optee Allowances

The Panel noted that the current arrangements state that with the exception of the position of Chair of the Workington Harbour Board (now the Workington Harbour Management Committee), no provision is made under the Scheme for the payment of an annual allowance to any co-opted or appointed member who serves on any committee or sub-committee of the County Council.

The Panel noted the change of circumstances regarding the position of Chair for the Workington Harbour Management Committee and concluded that should there be requirement for a co-opted Chair then an increase of allowance consistent with the increase in other SRAs (2%) is justified.

Under the terms of reference of the Workington Harbour Management Committee the Chair is now appointed from County Council members and members will need to decide whether to include the Chair of the Workington Harbour Management Committee within the Scheme and at what rate of allowance.

Indexation of Allowances

The Panel made no recommendations for increases in allowances to be determined with reference to an index and recommended that a comprehensive and in depth review of the structure and rates for all allowances be carried out when the Panel next convenes.

- 4.6 The Panel's analysis and recommendations are contained in Section 9 of its report. The full report of the Independent Remuneration Panel is appended to this report as Appendix 1.

5.0 OPTIONS

- 5.1 The Council must have regard to the recommendations of its Independent Remuneration Panel. Having regard to the recommendations of the Panel, the Council has the following options:

- a) Make a scheme in the same terms as the Scheme approved by Council on 16 November 2017 for the year 2018-2019, to take effect on 1 April 2020.
- b) Make a scheme in accordance with the recommendations of the Independent Remuneration Panel.
- c) Make an alternative scheme of basic and other allowances.

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 The budget for 2019/20 for Members Allowances and support is £1.118m with an inflation provision within the Medium Term Financial Plan of 2%. The projected increase will be contained within this overall budget.
- 6.2 The Scheme of Members Allowances currently in place costs £0.973m per annum representing 0.25% of the Total County Council Budget.
- 6.3 The Scheme of Members Allowances now recommended by the Independent Remuneration Panel (effective from 1 April 2020) will cost £0.992m per annum which is a slight increase on the current scheme (£0.019m). Travel and subsistence costs are excluded from these figures but the budget includes £0.128m in respect of projected travel and subsistence allowances, these will remain in line with HM Revenue and Customs approved rates.

7.0 LEGAL IMPLICATIONS

- 7.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require all councils to annually “make a scheme” for the payment of basic and other specified allowances to elected members.
- 7.2 In making a scheme for members’ allowances, the Council must have regard to the recommendations of the Independent Remuneration Panel.
- 7.3 The Council has the discretion to determine not to accept all or any of the final recommendations, provided it has had regard to them in making its decision.
- 7.4 The Council must publish a notice in one or more newspapers circulating in its area containing specified information about the scheme it has made and must make copies of the scheme available to the public on request.

8.0 CONCLUSION

- 8.1 The Council’s Independent Remuneration Panel has undertaken a review of the current scheme of members’ allowances and has made a number of recommendations for consideration by the Council. The Council must have regard to the report of the Independent Remuneration Panel in making its scheme for the payment of members’ allowances.

Iolanda Puzio
Chief Legal Officer and Monitoring Officer

20 December 2019

APPENDICES

Appendix 1 ***Recommendations for Councillors’ Remuneration for the Financial Year 2020/21 (November 2019)***

Electoral Division(s): All

Executive Decision

	No
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Key Decision

	No
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If a Key Decision, is the proposal published in the current Forward Plan?

		N/A
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Is the decision exempt from call-in on grounds of urgency?

N/A	
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If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

		N/A
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Has this matter been considered by Overview and Scrutiny?
If so, give details below.

N/A	
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Has an environmental or sustainability impact assessment been undertaken?

		N/A
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Has an equality impact assessment been undertaken?

	No	
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PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

County Council 16 November 2017- Members Allowances Scheme

CONSIDERATION BY OVERVIEW AND SCRUTINY

Not considered by Overview and Scrutiny

BACKGROUND PAPERS

No background papers

RESPONSIBLE CABINET MEMBER

The Leader of the Council

The Deputy Leader of the Council

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