

REPORT TO	DATE OF MEETING
Council	30 September 2015

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Report of the Independent Remuneration Panel on Members' Allowances	N/A	Martin O'Loughlin	11

SUMMARY AND LINK TO CORPORATE PRIORITIES

The report refers to the findings of the Independent Remuneration Panel, which has completed a review of members' allowances under the Local Authorities (Members' Allowances) (England) Regulations 2003.

The report enables members to consider adjustments to the existing Scheme of Members' Allowances to reflect the reduction in Council members, new committee structures move to My Neighbourhoods from Area Committees and to make other appropriate amendments.

It links to the corporate priority of being an efficient, effective and exceptional council.

RECOMMENDATIONS

That Council considers the Independent Remuneration Panel's report and decides what action it wishes to take on the Panel's recommendations for a new Scheme of Members' Allowances.

DETAILS AND REASONING

Background

Under the Local Authorities (Members Allowances) (England) Regulations 2003, each authority is required to decide its Scheme of Members' Allowances and the amounts which should be paid to members of the Council. Such amounts are in the main made up of Special Responsibility Allowances (SRA's) and a basic allowance.

Before the Council can make or amend a Scheme under the above Regulations the Council has to have regard to the recommendations of an Independent Panel.

The present Scheme of Members' Allowances was made after the first Independent Remuneration Panel's recommendations were submitted to the Council on 3 July 2002 and came into force on 5 May 2003.

The Council at that time accepted most of the recommendations of the Panel which were adopted and which form the basis for the current Scheme. The Council however did not accept the Panel's recommendations that the allowances should be adjusted annually in accordance with the rate of inflation or that the Scheme of Allowances should be reviewed after four years. The Council at that time also resolved that the Scheme should be reviewed on an annual basis. However, the Scheme was not the subject of review until December 2007.

In December 2007 a new Independent Panel was established to formulate and recommend to the Council a revised Scheme of allowances for elected members that would reflect their duties and responsibilities under the Council's Constitution. The Panel's report, which included its recommendations, was considered by the Council at its meeting on 10 September 2008. However the Council was unable to agree a way forward at that time and declined to make any amendments to the Scheme. Consequently member's allowances have not been increased since May 2003, some twelve years.

In 2014/15 the Local Government Boundary Commission undertook a review of the Council's electoral arrangements which resulted in a change to wards and a reduction in the total number of councillors.

The Governance Committee, at its meeting in April 2015, as part of its review of the impact of the constitution on the reduction of councillors from 55 to 50, recommended that the Independent Remuneration Panel be re-established in accordance with the Local Authorities (Member Allowances) (England) Regulations 2003 to review member remuneration in the light of changes to councillor numbers.

At the Council meeting on 22 July Peter Hyett (former Group Finance Director of UCLAN), Anne Selby (Chief Executive, The Wildlife Trust (Lancashire, Manchester and Merseyside)), Julie Thornhill (General Manager, Waitrose Regional Distribution Centre (Leyland)) and Ian Wood, (BAE Systems' Samlesbury Site Director) were appointed as members of the Independent Remuneration Panel.

The Panel have met on a number of occasions and submit the attached report for consideration by the Council.

The Way Forward.

As outlined above, it is a legal requirement that Council must have regard to recommendations of the Independent Remuneration Panel if it wishes to make a new Scheme for members' remuneration or amend the existing Scheme.

As can be seen from the financial implications an estimated annual increase in revenue of £172,663 for a full year would be needed if the Council was to agree to accept all of the Panel's recommendations.

It is recommended that Council considers the Independent Remuneration Panel's report and decides what action it wishes to take on the Panel's recommendations for a new Scheme of Members' Allowances.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	If the Panel's recommendations are approved this would require a forecast increase in budget of £153,740 in 2015/16 (if implementation was backdated to May) and an increase of £172,663 in a full year. Members' remuneration is also subject to inflationary increases in line with officers' pay awards.
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LEGAL	The Council under the Local Authorities (Members' Allowances) (England) Regulations 2003 is required to set up and have regard to its recommendations an Independent Remuneration Panel if it wishes to make a new scheme or wishes to amend an existing scheme for members remuneration.
RISK	There is a risk that making these changes will have an adverse public relations impact but not implementing them risks the Council's reputation as the Council would continue to have a Remuneration scheme with a basic allowance the lowest in the Country and a scheme not updated since 2003
EQUALITY, DIVERSITY AND COMMUNITY COHESION	These changes if implemented would potentially have an impact on equality, diversity and community cohesion in that it could reduce the barrier to the wider community becoming councillors.

OTHER (see below) None

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>	<i>Human Rights Act 1998</i>
<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>	

BACKGROUND DOCUMENTS

Report of the Independent Remuneration Panel