

Appendix 2

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES FOR SOUTH RIBBLE BOROUGH COUNCIL

SEPTEMBER 2015

MEMBERS OF THE INDEPENDENT REMUNERATION PANEL

<p>Peter Hyett: Former Group Finance Director of UCLAN</p>	<p>Anne Selby: Chief Executive, The Wildlife Trust (Lancashire, Manchester and Merseyside)</p>
<p>Julie Thornhill: General Manager, Waitrose Regional Distribution Centre (Leyland)</p>	<p>Ian Wood: BAE Systems' Samlesbury Site Director</p>

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1. PURPOSE OF THE INDEPENDENT PANEL

The Independent Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2003 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.

2. THE PANEL

Peter Hyett: Retired. Formerly Group Finance Director Uclan. Previously Finance Director Liverpool John Moores University. Worked also in Local Government, NHS and New Town Development Corporation. Held board level positions in local, regional and national HE related companies/charities. Represented HE/FE on LCC Pension Committee. Currently holds a number of pro-bono positions in education related charities

Anne Selby: Has served as Chief Executive of the Wildlife Trust for Lancashire, Manchester and Merseyside, for over 20 years. She chairs Greater Manchester Local Nature Partnership and is a member of the Low Carbon Hub Board. She is a Fellow of Myerscough College and has served as a Board Member of the North West Development Agency, the Heritage Lottery Fund Regional Committee, European Programme Monitoring Committees and numerous environmental advisory roles (statutory and non statutory). Her early career included work in local government (in tourism and later in planning), British Waterways and the City Farm Movement.

Julie Thornhill: Held a number of senior positions in distribution for the discounters (Aldi and Lidl) and over the past 15 years for Waitrose including Site Management, Contract Management and Project Management. Currently General Manager at Waitrose Regional Distribution Centre in Leyland since June 2014.

Ian Wood: Operations Director for Combat Air and Site Director BAE Systems, Samlesbury. Held a number of senior positions within BAE Systems including Production, Project Management, Quality Management and Site Management. Currently a Director of LANPAC (Lancashire Partnership against crime) and previously held board positions on a number of Partnerships requiring public and private sector collaboration.

Assisted By:

Martin O'Loughlin – Democratic Services Manager

Dave Lee – Democratic Services Officer

3. TERMS OF REFERENCE

To propose a scheme of members' allowances that is simple to operate and easy to understand by the public, and in particular to make recommendations on the following:

1. The amount of basic allowance which should be paid to members of the council.
2. The duties in respect of which members should receive a special responsibility allowance, and the amount of such an allowance.

3. The amount of travelling and subsistence allowance and whether the scheme should include allowances for arranging the care of members' children or dependants, and the amount.
4. Any other relevant elements of the scheme.
5. When the scheme should be reviewed.

4. CONTEXT

We commenced our task bearing in mind the following:

The present Members' Allowances Scheme 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 first Independent Remuneration Panel's recommendations were arrived at a time when the new regulations for members' remuneration were in their infancy and the amount and quality of comparative data from other local authorities were limited.

Those recommendations made were based on evidence gathered early in 2002, approximately 13 years ago.

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 has since not made any substantial amendments to the Scheme..

No substantial changes had been made to the scheme to take into account of inflation rates, changes to structures, levels of responsibilities or the increasing availability of good quality comparative data since the Scheme was approved on 3 July 2002.

However in July 2009, based on the recommendations of the previous panel, some minor changes were made to some Special Responsibility Allowances and the recommendation that all allowances (SRA and basic) be updated on an annual basis in line with National Joint Council Pay Award for employees was implemented. (It was noted that during the period from 2010 the National Joint Council Pay Award for employees was only made in the years 2013 (1%) and 2015 (2.2%). In 2012 the allowance for travel and subsistence was increased from £100 to £350.

5. PRESENT MEMBERS' ALLOWANCE SCHEME

The existing Scheme can be summarised as follows:

ANNUAL ALLOWANCE	£
Basic	1,548.33
Travel and Subsistence	350

ANNUAL SPECIAL RESPONSIBILITY ALLOWANCES

The following are specified as the special responsibilities in respect of which special responsibility allowances are payable, and the amounts of those allowances:

BODY	OFFICE*	ALLOWANCE
		Present £
Council	Leader	10,322.20
Cabinet	Member	5,161.10
Scrutiny Committee	Chairman	2,064.44
Planning Committee	Chairman	2,580.55
Standards Committee	Chairman	516.11
Licensing Committee	Chairman	2,064.44
My Neighbourhood Area	Chairman	2,064.44
Governance Committee	Chairman	1,032.22
Minority Group	Leader of largest Opposition Party	516.11

* When a member holds more than one of the offices under the existing scheme, he or she is entitled to receive the allowance for each of the offices held.

6. THE EVIDENCE CONSIDERED

We reviewed and considered extensive evidence, that had been gathered by the previous panel which consisted of the following:

- Current Scheme for the payment of members' allowances
- The council's decision making structure
- The roles and responsibilities of councillors
- Comparative information with various Lancashire and other local authorities, recently compiled by Preston City Council for a similar exercise
- Comparative information used by Ribble Valley Borough Council and the report of that authority's Independent Remuneration Panel on members' allowances
- Information obtained from North West Employers in respect of the 2007/08 members' allowances in the North West districts

- Matrix in respect of the council's membership of committees/co-optees, independent and parish council members of the Standards Committee
- The council's Chartered Institute of Public Finance and Accountancy (CIPFA) comparators'
- Members' allowances effect on benefits
- Information on the Councillors Commission and the 2006 Census of Councillors
- Results of the Panel's 2008 (SRBC) Members' Allowances Survey
- Outcome of the interviews with the borough council's Chief Executive and the two group leaders
- Outcome of consultaion with Focus Groups/Citizens' Panels
- Results of the public views received through press release and the council's website
- Results of a mini Survey carried out with a cross section of (SRBC) members (out of pocket expenses – petrol, phone and postage costs etc)
- The current Scheme of members' allowances compared to the average cost of allowances of the council's (CIPFA) comparators
- Representing the future: The report of the Councillors Commission
- National Census of Local Authority Councillors 2006

We gathered further evidence on the current levels of remuneration for the Lancashire local authorities and on the potential impact of inflation and the National Joint Council Pay Award for employees on the last Panel's recommendations.

The three Leaders of the Political Groups on the Council were invited to make representations to the Panel and the the Leader of the Council and the Leader of the Labour Group were interviewed by the Panel.

The views of all Councillors were also sought and representations were received from seventeen members.

We sought the views of the public via a consultation page on the Council's web site and received one response.

7. METHODOLOGY

We met four times during the period July 2015 to September 2015. Our meetings were held in private session so as to enable the Panel to interview Members and Officers in confidence. At the outset we decided not to take an overly prescriptive approach to the review but to review the validity of the findings of the last Panel and to establish if those findings were flawed in any way or could be taken as a sound basis on which to base this Panel's recommendations.

Our activity fell into five parts:

- Review of the previous Panel's research and findings
- Review of the current allowances scheme, allowances paid in other comparator authorities and copies of the regulations and statutory guidance.
- Interviews with Members and Officers of the Council.
- Consideration of existing members', and the public's, views via consultation.
- Formulation of conclusions and recommendations.

It is from these processes and deliberations that we arrived at the recommendations set out in this report.

8. CONSULTATION

Our consultation is summarised as follows:

- Interviews with two of the borough council's three political group leaders
- 2015 Member's Allowances Survey of Lancashire Authorities
- Consultation with elected members via e-mail
- Public consultation through the council's website

9. FINDINGS

We sought to establish in initial discussions with the three political group leaders, the CEO and the other support officers why the previous Panel's recommendations were not implemented and whether the work and findings of the previous Panel was considered to be valid.

No evidence was found, that in any way' put into question the work or the findings of the previous Panel. In fact we felt that the previous Panel's work was thorough, detailed and wide ranging.

We found that the non implementation of the recommendations of the previous Panel was mainly due to timing and political considerations.

We did however recognise that things have not remained static since 2009 and have in our recommendations taken into account the changes to the roles of Chairs of My Neighbourhoods, Governance and Standards Committees. We have also taken note of the impact of the implementation of the Local Government Boundary Commission's recommendation for the reduction of the number of councillors from 55 to 50 and to the increasing workload on councillors from increased community working.

10. CONCLUSIONS

We have concluded like the previous panel that the current Scheme is substantially out of line with the average total allowances paid by the other Council's across Lancashire and nationwide. It is also out of line with its Lancashire neighbours with a similar population size. The current Scheme is also out of date, as it has not been amended since it was approved in 2002 and only updated for inflation on two occasions (in 2013 1% and 2015 2.2%) during this period.

We feel that the evidence the previous Panel gathered and our on research demonstrated that the main issue with the current Scheme was the Basic Allowance, which is the lowest in the country,

We concurred with the previous Panel that the guiding principles in devising a Scheme should be to develop a scheme of allowances that is not in its own right an incentive to

participate in public life but one which removed barriers for those who would otherwise refrain from participating in public life;

We concluded that the current level of basic allowance is the single issue that was consistently highlighted in all the evidence, including from the comparative data, the members' survey and from the interviews and consultation. We have therefore addressed this issue first and concluded that the level should be as near as possible to the average basic allowances paid by Lancashire neighbours with a similar population size. A table showing the comparisons is attached as an Appendix.

We also reviewed the Special Responsibility Allowances and concluded that the level should also be as near as possible to the average basic allowances paid by Lancashire neighbours with a similar population size. We also believe that they should be amended to ensure that they are more fairly based on the current workload and responsibility levels of each of the roles.

We noted that in other authorities Members' Allowances Schemes it was common practice for Deputy Leaders to receive SRA's and we have therefore recommended a figure for a Deputy Leader if the Council is minded to create a SRA for a Deputy Leader.

We noted that in other authorities Members' Allowances Schemes there were SRA's for Deputy Leaders of the Opposition but as this was not universal we have not recommended this, however, if the Council was minded to consider this we would suggest it should be on the same proportion as Deputy Leader to the Leader of the Council.

We noted and accepted the evidence presented that the SRA for the Chair of Planning Committee is justifiably higher than other Chairs because of the higher workload due to frequency of meetings, site visits and the impact of City Deal and this is reflected in our recommendations.

We noted and accepted the evidence presented that the roles of the Chair of Scrutiny and Governance Committees varies from authority to authority and consequently the level of SRA varies accordingly. In order to maintain our overarching conclusion that the level's of SRA's should be as near as possible to the average basic allowances paid by Lancashire neighbours with a similar population size we averaged the combined total of both SRA's for Governance and Scrutiny Committees.

We noted and accepted the evidence that the Standards Committee rarely meets. We therefore have not recommended any change to the amount of this SRA and we do suggest that the justification for this SRA be re-considered.

With regard to expenses we considered that a system based on actual expenditure supported by receipts would provide an evidence base for expenses but would be over complicated and costly. Whilst the current fixed allowance scheme has its drawbacks in the context of the expenditure a councillor of SRBC may incur, it appears fair and reasonable and simple to administer. We also concluded that given the relatively recent uprating of this allowance to £350 and the fact that in our consultation this was not raised as an issue the current figure of £350 was about right.

We then addressed the evidence gathered in relation to the other issues the previous Panel considered and agreed with their conclusion that with regard to carers' allowances, including childcare expenses, that payment of these was on balance likely to remove

barriers to participation in public life for some segments of society and therefore some recompense was appropriate.

We have also agreed with the previous Panel that co-optees and independent members of the committees, should be recompensed for out of pocket expenses, but should not receive a remuneration allowance.

In one area we disagreed with the previous Panel. The previous Panel recommended "That only one Special Responsibility Allowance be payable to any one member." We found no evidence to justify this and nor was it the case in the authorities we compared against.

11. RECOMMENDATIONS

11.1 Annual Basic Allowances

That the basic allowance for Members should be £4,426.

11.2 Special Responsibility Allowances

That there should be Special Responsibility Allowances for the following roles at the level of remuneration indicated:

Leader of the Council	£13,851
Deputy Leader	£4,460
Cabinet Members	£5,779
Leader of largest Opposition Party	£4,460
Chair of the Planning Committee	£4,953
Chair of the Scrutiny Committee	£3,383
Chair of the Governance Committee	£3,383
Chair of the Licensing Act Committee	£3,147
<i>Chair of the Standards Committee*</i>	<i>£516*</i>
Chair of each of the My Neighbourhoods	£3,383

** We have not recommended any change to the amount of this SRA and we do suggest that the justification for this SRA be re-considered.*

11.3 Co-Optees Allowances

That Co-optees should not be paid an allowance, but be paid reasonable out of pocket expenses

11.4 Dependents Carers' Allowance (Children Or Dependents)

That a dependent carers' allowance be paid when expenditure is actually incurred for attendance at Council and Committee meetings and the allowance be actual cost up to a maximum of the Carers Allowance (currently £62.10 per week). The allowances are only payable subject to the production of receipts and where care is provided by a registered social care provider, nursery or childminder.

11.5 Travel & Subsistence Allowances

That an annual allowance of £350 be paid for out of pocket expenses.

11.6 Suspension of a Councillor

That in the event of a Councillor being suspended the payment of the allowance should be suspended for the same period.

11.7 Other Recommendations

- a) That the Basic Allowance and the Special Responsibility Allowances be updated in line with National Joint Council Pay Award for employees and that the Travel and Subsistence Allowances be updated on an annual basis with effect from 1st April in line with the Consumer Price Index (CPI) as published for the preceding February.
- b) That when a member holds more than one of the offices under the recommended scheme, he or she is entitled to receive the allowance for each of the offices held.
- c) That an Independent Remuneration Panel be convened every four years to coincide with Council's electoral cycle in order that it can advise on any necessary changes to the Scheme or on those occasions when there are any substantial changes to the Council's decision making structure.

12. COMMENTS FROM THE PANEL

We would also advise the Council of the following:

Throughout our deliberations and from the consistency of the comments received there was a strong consensus on the basis of the conclusions we have reached;

To continue with the current Scheme, particularly as it relates to Basic Allowance, is so inconsistent with the evidence presented it is untenable;

It is important to put in place mechanisms, particularly up-rating on an annual basis to ensure this situation is not repeated in future years;

13. IMPLEMENTATION

We noted that under the Local Authorities (Members' Allowances) (England) Regulations 2003 there is provision for the backdating any amendment of the scheme to the beginning of the year in which it is implemented. However, we believe that the timing of the implementation of any of the Panel's recommendations is wholly a matter for the Council and therefore we make no recommendations on it.

14. THANKS OF THE PANEL

We ask that our thanks be expressed to all those who have assisted us in reaching our conclusions.

We would also like to express our thanks and appreciation to the officers who assisted the Panel and gathered together the evidence necessary for us to reach our conclusions.

15. SUPPORTING DOCUMENTS (available from Democratic Services)

- (i) Current Scheme for the Payment of Members' Allowances
- (ii) The Report and Supporting Documents of the previous Panel.
- (iii) Comparative Information with various Lancashire and other Local Authorities,
- (iv) Details of the representations made by Councillors
- (v) Details of representations received from the public through the Council's Website

RECOMMENDATIONS OF THE PANEL Showing comparisons with Chorley, South Ribble, West Lancs and Wyre Borough Councils (similar populations) and with the allowances averaged.

2015	Chorley	West Lancs	Wyre	Average of Chorley, West Lancs, and Wyre	South Ribble (Current)	South Ribble (Panel recommendations)	See Notes Below
Population (2011 census)	107,155	110,685	107,749	108530	108,913	108,913	
Number of Elected Members	47	54	50	50	50	50	
Basic Allowance	£4,378.82	£4,842	£4,059	£4,426.61	£1,548	£ 4,426.00	
Leader	£13,213.31	£12,105	£16,236	£13,851.44	£10,322.20	£ 13,851.00	
Deputy	£4,091.21	£7,263	£2,028	£4,460.74	0	£ 4,460.00	
Leader of Opposition	£6,781.75	£3,389	£2,952	£4,374.25	£516.11	£ 4,460.00	
Deputy Leader of Opposition	£1,907.85	£1,694	0	£1,800.93	0		Note 1
Cabinet Members	£4,378.82	£4,842	£8,118	£5,779.61	£5,161.10	£ 5,779.00	
Chairs Regulatory Committees Licensing	£2,963.86	£2,421	£4,059	£3,147.95	£2,064.44	£ 3,147.00	
Chairs Regulatory Committees Planning	£2,963.86	£5,810	£6,087	£4,953.62	£2,580.55	£ 4,953.00	
Vice Chairs Regulatory Committees	£1,459.97	£0	0		0	£ -	
Chairs Overview & Scrutiny	£4,378.82	£2,421	£6,087	£4,295.61	£2,064.44	£ 3,383.00	Note 2
Vice Chairs Overview & Scrutiny	£1,459.97	£0	0		0	£ -	
Governance	£1,750.87	£2,421	£3,246	£2,472.62	£1,032.22	£ 3,383.00	Note 2
Chair Standards		£0	£405		£516.11	£ 516.11	Note 3
Chair My Neighbourhood Area Forum					£2,064.44	£ 3,383.00	Note 4
Basic Allowance per Cllr per resident	£1.92	£2.36	£1.97	£2.05	£0.87	£2.03	
Notes 1	If a SRA is desired for a Deputy of the Opposition it should be on the same proportion of Deputy of the Council to Leader						
Notes 2	In order to maintain our overarching conclusion that the level's of SRA's should be as near as possible to the average basic allowances paid by Lancashire neighbours with a similar population size we averaged the combined total of both SRA's for Governance and Scrutiny Committees.						
Notes 3	In view of the changes to the Standards regime no change is made to SRA for Chair of Standards and the Council may wish to consider the merit of retaining this SRA						
Notes 4	There is no direct comparator for Chairs of My Neighbourhoods therefore the recommended level is to maintain parity with the Chair of Scrutiny						