

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COUNCIL

meeting date: 11 JULY 2023
 title: REVIEW OF MEMBERS' ALLOWANCES SCHEME
 submitted by: DIRECTOR OF RESOURCES & DEPUTY CHIEF EXECUTIVE
 principal author: JANE PEARSON

1 PURPOSE

- 1.1 To consider the report of the independent remuneration panel on members' allowances following their review of the current scheme and the recommendations made by Policy and Finance Committee at their meeting on 20 June 2023.

2 BACKGROUND

- 2.1 The Local Authorities (Members' Allowances) (England) 2003 require the Council to establish a scheme of members' allowances in accordance with these regulations.
- 2.2 The Council is required to agree and publicise its members' allowance scheme each year and have an independent review at least every 4 years. A panel was established in March 2023 with a view to review the scheme for the 2023/24 municipal year.
- 2.4 The panel consisted of the following:

John Houldsworth	Director, Houldsworth Solicitors, Clitheroe
Michael Ranson	Retired former Council Leader, Ribble Valley Borough Council
Sharon Senior	Executive Director, North West Employers

- 2.5 The Council, in revising the existing scheme, must have regard to the recommendations made by the panel.

3 OUTCOME OF REVIEW OF MEMBERS' ALLOWANCES SCHEME

- 3.1 The Panel conducted interviews with seven councillors, including the Leader, Leader of the Opposition, Labour group leader, an Independent and 3 Committee Chairs
- 3.2 The Panel also reviewed details of members allowances schemes from the 11 other Lancashire District Councils.
- 3.3 In summary the panel concludes that overall, the current Members Allowance Scheme is a fair reflection of councillor duties and responsibilities.
- 3.4 The full report of the panel is attached at Annex 1.
- 3.5 Policy and Finance Committee at their meeting on 20 June 2023 considered the independent panel's report in detail and accepted all the recommendations of the panel as set out in Section 6 of their report. These were:

After considering all the evidence, the panel felt that overall, the current Member Allowance Scheme is a fair reflection of the councillor duties and responsibilities.

However, in view of the change in the political make-up of the council and the additional demands and responsibilities on group leaders, the panel recommends that the Special Responsibility Allowances should be amended to include an allowance for the leader of each political group.

Using the Lancashire district council data as a benchmark, the panel recommends that this allowance would apply to the leader of a political group that has a minimum of 5 members or more. Using the multiplier formula, the recommended allowance would be 1.5 x basic allowance =£6,180. Any changes agreed will be backdated to the date of the Annual Meeting.

4 PUBLICITY

- 4.1 The Council must make the Independent Panel's report available for public inspection; it has been placed on the Council's website.
- 4.2 Once the Council has approved the Scheme for Members' Allowances it must make arrangements for its publication by:-
 - ensuring that copies of the scheme are available for public inspection; and
 - publishing a notice in the local press describing the main features of the scheme and specifying the amounts payable in respect of each allowance mentioned in the scheme.
- 4.3 There should be an indication of any differences from the recommendations in the report of the Independent Remuneration Panel.
- 4.4 The Council is also required to publish the amount of allowances paid to each Member as soon as practicable at the end of each financial year. This takes place via the Council's website.

5 RISK ASSESSMENT

- 5.1 *Financial:* - The Council's full year budget for 2023/24 for members' allowances is £262,350. The recommendations of the Independent Panel would result in potentially an extra SRA of £6,180 to group leaders.
- 5.2 *Legal:* - The Local Authorities (Members' Allowances) (England) 2003 require the Council to establish a scheme of members' allowances in accordance with these regulations. The Council is required to agree and publicise its members' allowance scheme each year and have an independent review at least every 4 years. This report considers the latest panel's review of the current scheme.

6 RECOMMENDED THAT COUNCIL

- 6.1 Considers the attached report of the Independent Remuneration Panel on Members' Allowances together with the recommendation made by Policy and Finance Committee and agree a new scheme of Members' Allowances to take effect from the date of the Annual Meeting - 23 May 2023.

JANE PEARSON
DIRECTOR OF RESOURCES

C3-23/JP/AC
3 July 2023

RIBBLE VALLEY BOROUGH COUNCIL
REPORT OF THE INDEPENDENT REMUNERATION PANEL
ON MEMBERS ALLOWANCES

June 2023

THE INDEPENDENT REMUNERATION PANEL

John Houldsworth – Director, Houldsworth Solicitors, Clitheroe

Michael Ranson - Retired former Council Leader, Ribble Valley Borough Council

Sharon Senior - Executive Director, North West Employers

Officers:

- Marshal Scott, Chief Executive
- Jane Pearson, Director of Resources
- Mair Hill, Head of Legal and Democratic Services

1 PURPOSE OF THE INDEPENDENT PANEL

1.1 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 TERMS OF REFERENCE

2.1 To review the existing scheme and propose a scheme for members allowances which:

- recognises the roles, duties and responsibilities of members both as decision makers and community representatives under the Council's Constitution;
- is easy to understand by councillors and the public;
- is simple to operate;
- includes provision for annual review without the need for fundamental change;
- considers what other allowances, such as travel and subsistence, should be paid, and in what circumstances, and whether a dependents carers allowance should be paid; and
- considers provision for different levels of allowances reflecting the responsibilities of the post holder or group of post holders and standing according to the political composition of the Council.

2.2 The Independent Panel is also asked to make other recommendations as it considers necessary.

3 PRESENT MEMBERS ALLOWANCE SCHEME

3.1 The Council's present members allowance scheme was approved by the Council in April 2019. In reaching its decision members took account of the report of an Independent Panel that had been established. Allowances have been updated under the agreed formulae on an annual basis.

3.2 The existing scheme of Members Allowances (2022/2023) is shown below:

- A Basic Allowance for all members of £4,120 per year
- Special Responsibility Allowances:
 - Leader – 4 x basic allowance £16,480 pa
 - Deputy Leader – 2.5 x basic allowance £10,300 pa
 - Leader of the Opposition – 2 x basic allowance £8,240 pa
 - Committee Chair – 1.5 x basic allowance £6,180 pa
 - Planning & Development Committee Chair 2 x basic allowance £8,240pa
 - Vice Chair – Planning & Development Committee -£1,178 pa
 - Committee Vice Chair – £590 pa
- Dependent Carers Allowance – National Living Wage per hour
- No member to be entitled to more than one special responsibility allowance.
- Travel & subsistence to be paid in accordance with Schedule 'B':
 - Not exceeding 999c – 46.9p per mile
 - 1000cc and above – 52.2p per mile.
- These allowances are updated annually in line with any increase based upon the National Salary increases of Local Government Staff.

4 THE EVIDENCE CONSIDERED

4.1 The panel met on three occasions and considered the legal background to the payment of members' allowances, the terms of reference, political composition of the Council, the present committee arrangements, attendance at committee meetings, attendance at outside bodies, total costs of expenses and allowances, and the current members allowance scheme.

4.2 The Annual Basic Allowance is increased each year in line with the National Salary increases of Local Government Staff. Between May 2019 and April 2023, the Annual Basic Allowance has increased by 13%.

OTHER LOCAL AUTHORITIES

4.3 The Panel reviewed details of members allowance schemes from the 11 other Lancashire District local authorities.

INTERVIEWS WITH COUNCILLORS

4.4 The Panel conducted interviews with seven councillors, including the Leader, Leader of the Opposition, Labour group leader, an Independent and 3 Committee Chairs. Each councillor was asked the following questions:

- What are your thoughts on the basic member allowance?
- How do you feel your role as a councillor has changed over the last 4 years and how do you envisage it changing in the next 4 years?

- Can you talk us through a typical week/month in the life of a Leader/Group Leader/Chair/Councillor?
- From your perspective, are you aware of any difference in responsibilities between the Chairs of the different Committees?
- What are your thoughts on the payment of special responsibility allowances to all group leaders?
- The current scheme is based upon multipliers – for example a Chair might attract the basic allowance x 1.5. What are your thoughts on this approach and whether the special responsibility allowances should be a flat rate rather than a multiplier?
- Are there any other factors you think the panel should take into account in this review?

4.5 The responses were noted and subsequently discussed by the Panel. See paragraph 5.14.

5 OBSERVATIONS

5.1 The Panel made the following observations.

5.2 There have been no substantial changes to the responsibilities of members since the last review in 2019.

5.3 The current Annual Basic Allowance is slightly lower when compared to the Lancashire District Local Authorities, with 4 local authorities paying a lower Annual Basic Allowance than this Council.

5.4 Some of this Council's Special Responsibility Allowances are higher when compared with the Lancashire District Local Authorities.

5.5 Special Responsibility Allowances Comparisons are as follows:

Lancashire District Councils (x11)

- Leader - two pay more than this Council
- Deputy Leader - two pay more than this Council and two make no payments
- Leader of the Opposition - none pay more than this Council. Nine authorities pay all group leaders (amount dependent on how many are in the group)
- Chair of Planning Committee – this allowance is the highest across district councils in Lancashire
- Committee Chair – two of the other Lancashire councils have a Committee System, however there is insufficient data to make a comparison
- Committee Vice-Chair – there is insufficient data to make a comparison however one council only pays an allowance per actual meeting chaired
- Vice Chair – Planning Committee. This is the lowest allowance in comparison to other district councils.

5.6 The Special Responsibility Allowance for the Chair of the Planning and Development Committee is higher than other Committee Chairs. This committee meets twelve times per year and deals with a large number of complex issues, numerous technical matters and considerable public interest as well as “pressure” from applicants and objectors. This requires additional time from the Chair and Vice Chair for reading, briefings and meetings which is reflected in the increased allowance.

- 5.7 The current calculation of Special Responsibility Allowances is achieved by multiplying the Annual Basic Allowance by a prescribed multiplier. This is easy to understand, is simple to operate and rewards those Councillors who have particular responsibilities.
- 5.8 The Full Council meets six times a year with one of those being Annual Council. Annually there are eleven Planning and Development Committee meetings and six Policy and Finance Committee meetings. The Community Services Committee, Personnel Committee, Health and Housing Committee, Economic Development Committee, Licensing Committee, Parish Council Liaison Committee and the Accounts and Audit Committee all meet five times in a year.
- 5.9 There are a total of 59 meetings in a year. During 2022/23 the attendance at meetings by councillors averaged 80.96%, with seven councillors having 100% attendance and seven councillors having less than 75% attendance.
- 5.10 During 2022/23 to date the Chairs of the various committees have only been absent on two occasions.
- 5.11 27 councillors are members of Outside Bodies. The membership of Outside Bodies is considered to be part of the councillor's role as community representatives.
- 5.12 The current Travel and Subsistence Allowances are the same as the allowances paid to Council Officers.
- 5.13 The current seats on the Council by Political Parties are:-
- Conservatives - 18
 - Liberal Democrats - 8
 - Labour - 7
 - Independents - 5
 - Green - 2
- 5.14 CONSIDERATIONS FROM INTERVIEWS WITH COUNCILLORS
- All the members interviewed acknowledged that the allowance was intended to reflect the duties of a councillor and was not a salary. It was noted that for some members, the allowance was a financial necessity and for others it was less so, however the point was made that it was difficult to attract the right type of person to stand as a councillor and the allowance could be a factor in encouraging such a decision.
 - The consensus was that the allowance was reasonable and members valued that the fact that it was reviewed on an annual basis and adjusted in line with Local Government pay levels.
 - In terms of the councillor role, it was felt that there was now more paperwork and more pressure on Councillors as bureaucracy has increased. There was also recognition that there was now more public scrutiny of those in the public domain, particularly with the rise of social media as a platform.
 - Members welcomed the fact that most meetings were held in the evening and therefore there was not too much requirement for people to take time off from work unless they were Chairs etc.
 - Councillors had varied views on their workload but felt that they had a duty to represent their wards and the work varied depending on the needs and requirements of the ward. There were a number of Council Meetings together with Committee meetings, briefing meetings, Group meetings, and reading all the papers before the meetings.
 - All of the members interviewed acknowledged the significant responsibilities held by the

Leader of the Council and that the Special Responsibility Allowance for the Leader was reasonable.

- Members recognized that the Chair of the Planning and Development Committee had a higher workload than that of the other Committee Chairs with more meetings and responsibilities and that this should be reflected in the Special Responsibility Allowance.
- Not all members interviewed were aware of the multiplier formula used to calculate the Special Responsibility Allowances. When this was explained, it was widely accepted as a reasonable and transparent way of calculating the additional allowances.
- In view of the recent political changes, there was some discussion about whether there should be an allowance for leaders of other political groups. The consensus, although it wasn't unanimous, was that the current position of applying an allowance to the main Opposition Leader only should continue.

6 UNANIMOUS RECOMMENDATIONS OF THE PANEL

After considering all the evidence, the panel feels that overall, the current Member Allowance Scheme is a fair reflection of the councillor duties and responsibilities.

However, in view of the change in the political make-up of the council and the additional demands and responsibilities on group leaders, the panel recommends that the Special Responsibility Allowances should be amended to include an allowance for the leader of each political group. Using the Lancashire district council data as a benchmark, the panel recommends that this allowance would apply to the leader of a political group that has a minimum of 5 members or more. Using the multiplier formula, the recommended allowance would be 1.5 x basic allowance =£6,180.

Annual Basic Allowance

- 6.1 The Panel recommends no change to the level of the Annual Basic Allowance, payable to all councillors, presently £4,120. This will be increased annually in accordance with the National Salary Increases of Local Government Staff.

Special Responsibility Allowances

- 6.2 The Panel recommends the following Special Responsibility Allowances based upon an appropriate multiplier of the Annual Basic Allowance as detailed in the following table:

RESPONSIBILITY	CURRENT		RECOMMENDED	
	Multiplier	Annual Amount	Multiplier	Annual Amount
Leader	X 4	16,480	X 4	16,480
Deputy Leader	X 2.5	10,300	X 2.5	10,300
Leader of the Main Opposition Group	X 2	8,240	X 2	8,240
Chair of Planning and Development Committee	X 2	8,240	X 2	8,240

Chair of Community Services Committee, Health and Housing Committee, Economic Development Committee, Personnel Committee, Licensing Committee, and Accounts and Audit Committee	X 1.5	6,180	X 1.5	6,180
Leader of political group (5 or more members)			X 1.5	6,180
Vice Chair Vice Chair – Planning & Development	N/A	590 1,178		590 1,178

Comments on the above

- 6.3 The Panel recommends that no Councillor is entitled to more than one Special Responsibility Allowance.
- 6.4 The Panel assumes that the Majority Group Leader continues to be the Chair of the Policy and Finance Committee and the Deputy Majority Group Leader continues to be the Vice Chair of the Policy and Finance Committee.

Dependents Carers Allowance

- 6.5 The Panel recommends no changes to the payment of the National Minimum Wage per hour for the cost of arranging for the care of children, elderly relatives or disabled relatives requiring full-time care whilst Councillors are conducting their approved duties.

Travel and Subsistence Allowance

- 6.6 The Panel recommends no changes to the payment of Travel and Subsistence allowances (which is attached as an Annex 1).
- 6.7 For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.

Suspension of a Councillor

- 6.8 The Panel recommends no changes in that payment of any allowances should be withheld by the Council where a councillor is suspended or partially suspended from his/her responsibilities or duties as a member of the Council.

Other Recommendations

- 6.9 The Panel recommends that:
- The Annual Basic Allowance and the Special Responsibility Allowances continue to be paid in 12 equal, monthly instalments.
 - The Panel considers that the details of “approved duties”, which are eligible for travel and subsistence allowances, should be provided to all councillors.

7 COST OF THE RECOMMENDED MEMBERS ALLOWANCES SCHEME

- 7.1 There are no changes recommended to the Annual Basic Allowance therefore costs of the Basic Allowance is unchanged.
- 7.2 The changes to the Annual Special Responsibility Allowances recommended would result in an increase of £2,060 pa., based on the current political make-up.

John Houldsworth

Michael Ranson

Sharon Senior

RIBBLE VALLEY BOROUGH COUNCIL
MEMBERS' ALLOWANCES SCHEME
SCHEDULE 'B' – TRAVELLING AND SUBSISTENCE ALLOWANCES

TRAVEL COSTS

(a) Car Mileage

The rate for travel by a councillor in a private vehicle shall not exceed:

Cylinder capacity	Rate per mile
Not exceeding 999c	46.9p
1000cc and above	52.2p

The above rates will be revised in accordance with the rates determined by the National Joint Council for Local Authorities, or otherwise in accordance with locally agreed rates applicable to Ribble Valley employees.

Travel within a 50 mile radius of BB7 2RA

Reimbursement at the Car Mileage Rate.

Alternatively Public Transport can be booked ideally through the Council's Procurement Assistant.

Travel outside a 50 mile radius of BB7 2RA

For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.

(b) Public Transport

Where public transport is used, costs will be reimbursed on the production of the relevant receipts.

(c) Car Sharing

Where a councillor brings another councillor or councillors to approved duties he/she shall be entitled to a passenger allowance of 5p per mile for each passenger.

(d) Bicycles

When a councillor uses a bicycle the rate shall not exceed 20p per mile. This rate shall be revised in accordance with the maximum allowance for income tax purposes as determined by HMRC.

(e) Other Travel Expenses

Expenditure incurred on tolls, ferries or car parking fees, may be claimed on production of receipts.

SUBSISTENCE

Overnight Accommodation

Where the nature of the duties being undertaken result in a councillor being absent from his/her usual place of residence overnight accommodation will be booked and paid directly by the borough council.

In exceptional circumstances where it is not possible for the borough council to make a direct booking on behalf of a councillor, the actual receipted cost of accommodation including breakfast will be reimbursed to the councillor. Such reimbursement will be subject to a maximum allowance per night as follows:

Area	
London	£162.48
Elsewhere in the UK	£138.07

These maximum allowances are reviewed each April using the retail price index.

DAY SUBSISTENCE

For an absence of more than 4 hours from the normal place of residence, councillors may claim reimbursement in respect of actual receipted expenditure incurred on subsistence subject to the following maximum allowances:

Period	
For a period greater than four hours but less than eight hours	£24.35
For a period greater than eight hours but less than twelve hours	£40.60
For a period greater than twelve hours	£56.85

These maximum allowances are reviewed each April using the retail price index.

WHEN TRAVEL AND SUBSISTENCE CAN BE CLAIMED

Appropriate travel and subsistence allowances may be claimed in accordance with the above details where such travelling and/or subsistence has been undertaken in connection **with one or more of the following duties:**

- (a) The attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body.
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority or a Committee or Sub-Committee of the Authority or a joint Committee of the Authority and one or more local authorities within the meaning of section 270(1) of the Local Government Act 1972 or a Sub-Committee or such a joint committee provided that:
 - (i) where the Authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited.

Examples of instances when Councillors can claim travel and subsistence

Claimable	Not Claimable
Committee meetings	Political Group meetings
Full Council meetings	Constituency work/visits
Sub Committee meetings	Adhoc visits to council offices
Authorised Working Group meetings eg Budget Working Group	Car Parking fees for visits to/meetings at council offices
Chairman's briefings	
Political Group meetings with CMT	
Approved site visits	
Approved training	
Approved attendance at conferences	
Attendance at outside bodies as a nominated representative of the council	