



**REPORT TO SOUTH LAKELAND DISTRICT COUNCIL FROM THE
INDEPENDENT REMUNERATION PANEL**

**RECOMMENDATIONS FOR COUNCILLORS' ALLOWANCES FOR
THE FINANCIAL YEAR 2020/2021**

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Summary

The Independent Remuneration Panel (IRP) gave due consideration to the current economic conditions for local authorities, representations made by Members, the allowances paid by comparator authorities, the work undertaken by Members and the recent pay settlements for SLDC employees.

It recommends the changes outlined in **bold**:

- **An increase (in line with the 2020/21 public sector pay award) up to a maximum of 2% on the Basic Allowance for 2020/21 to bring it up to £4,201.14 per annum.**

The IRP also recommends:

- No amendments to current Special Responsibility Allowances (SRAs);
- **The introduction of an additional Special Responsibility Allowance of £250 per annum to Members of the Planning Committee in recognition of the additional workload and training involved, site visits and the impact/complexity of matters addressed and decided upon by the Committee.**
- Other than the Group Leaders' Allowance, Members should receive no more than one SRA;
- Out of County Mileage Allowance to remain as part of the single travel allowance scheme as per the previous year;
- Travel expenses to be in accordance with the maximum rates set by HMRC without attracting a tax charge (currently 45p per mile), this to apply to the first 150 miles of a return journey regardless of the destination and 25p per mile thereafter;
- Subsistence expenses to increase by RPI as at 1st April 2020;
- No change to Childcare/Dependant Carers' Allowance. Payments to remain at a maximum allowance of £15 per hour. The Allowance to be paid from the time the recipient leaves home to time of return;
- **Co-optees' Allowance be increased by up to a maximum of 2% to bring it up to £39.15 per meeting.**

Background

1. The membership of the IRP comprises:

Michael Duff Former senior manager in high tech and communications companies and former Parish Councillor. Appointed to the IRP with effect from 1 August 2013 until 31 March 2020;

Colin Jones Retired Financial Director and Chief Executive of various PLC Companies. Former County, District and Town Councillor. Appointed to the IRP with effect from 3 July 2017 until 2 July 2021; and

Sally Parnaby (Chairman) Former NHS Board Director. Appointed to the IRP with effect from 1 July 2015 until 3 July 2023.

Alex Rocke Former Senior Local Government Officer and consultant to local authorities and housing associations. Appointed to the IRP with effect from 11 July 2019 to 10 July 2023.

2. The IRP's primary task in considering allowances was to review the remuneration of Members in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003 ("the Regulations"). Under the terms of the Regulations and the associated guidance the following should be noted:
 - a) The amount of Basic Allowance payable must be the same for all Members unless any have relinquished all or part of their entitlement;
 - b) To be eligible for an SRA the post must have "significant additional responsibilities over and above the generally accepted responsibilities of a Councillor." The number of SRAs should not exceed 50% of the total number of council Members;
 - c) An element of voluntary service is expected and accepted.
3. The recommended allowance scheme is estimated to cost up to a maximum of £322,686. Broken down, this amounts to £291,586 in respect of basic and special responsibility allowances, and £31,100 in respect of travel and subsistence allowances.
4. The figures for South Lakeland District Council's (SLDC's) 2020/21 budget with respect to its General Fund are outlined in other reports on this agenda. If the projected budget for 2020/21 from the Council's Medium Term Financial Plan is used then the cost of this scheme represents up to a maximum of 2.14% of the SLDC budget projection of £15,067,200 (being the total to be met from the General Government Grants, Business Rates and Council Tax).
5. The introduction of an additional Special Responsibility Allowance of £250 per annum to Members of the Planning Committee, in recognition of the additional workload and training involved. It is estimated to cost up to a maximum of £4,500 per annum which is included in the total allowance scheme, as estimated above.

Scope of the Report

6. This report gives the IRP's recommendations for the financial year commencing on 1 April 2020.

Methodology

7. A general invitation was sent to all Councillors to meet or communicate with the IRP, followed by a further invitation to Group Leaders to meet the Panel. Five meetings of the IRP took place in 2019 in relation to the contents of this report, in July, August, September and October. The Panel found the representations made by Members informative and assisted them in their deliberations and would hope that Members continue to engage with the Panel in their future deliberations.
8. The following Members attended one of the meetings of the IRP:-
 - Councillor Giles Archibald;
 - Councillor Pat Bell;
 - Councillor Judy Filmore;
 - Councillor John Holmes;
 - Councillor Helen Irving; and

- Councillor Mark Wilson.

In addition written responses were received from Councillor Pete McSweeney, Councillor Dyan Jones and Councillor Stephen Coleman.

9. The Chief Executive of SLDC, Lawrence Conway, also attended a meeting of the IRP.
10. The IRP has obtained comparative evidence from a sub-set of the District Councils forming the SLDC Peer Group. The list of comparative Councils and a breakdown of their allowances is attached at Appendix A. The IRP considers that care needs to be exercised when undertaking simple comparisons between authorities as there can be variances between SLDC and any comparator authorities.
11. The IRP applied the following principles to its deliberations:
 - Allowances should reflect the responsibilities, accountability, time and effort expected of Members but be set at levels which recognise the well-established principle of voluntary unpaid public service;
 - Any scheme of remuneration should not discourage people from becoming Councillors for financial reasons;
 - Any scheme of remuneration should be easy to understand and administer;
 - Recommendations on remuneration should be arrived at following logical and consistent analysis of relevant information;
 - Expenses for travel, childcare/dependants and subsistence should not contain any element of "profit".
12. Following the Local Government Boundary Commission (England) publishing their recommendations on the new electoral arrangements for SLDC in October 2016 and the implementation of the new wards in May 2018, Members who addressed the Panel provided feedback on how the changes had affected their work as a Councillor. The Panel agreed to keep the impact arising from larger wards (additional travel, time and expenses) under review but recognised that the specific issue of three member wards did not fall directly within their terms of reference.

The Basic Allowance

Current Arrangements

13. A Basic Allowance of £4,118.76 per annum is currently paid to Members. The Basic Allowance covers all the roles and activities of Members other than those that involve significant additional responsibility. Attendance at training is part of the work of Members for which they receive the Basic Allowance.

Review

14. The review of the Allowances Scheme undertaken by the IRP indicates that, in comparison with other peer group authorities, the methodology used is a satisfactory basis for determining the remuneration of District Councillors and is consistent with the IRP's remuneration principles.
15. The IRP gave due consideration to the following points:
 - The current economic conditions for local authorities;

- The anticipated pay settlement for SLDC employees of 2%. It was considered not appropriate to support an increase higher than that which SLDC employees will receive;
- Representations made by Members; and
- The fact that, whilst a number of Members have multiple roles across different authorities, the IRP only considered evidence in respect of this Council.

Therefore the recommendation of the IRP is as follows:

Recommendation

16. There should be an increase on the Basic Allowance for 2020/21 in line with public sector 2020 pay award up to a maximum of 2%.

Special Responsibility Allowances

Current Arrangements

17. The Government's "New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances" states that SRAs should only be paid when Members have "significant additional responsibilities" over and above the generally accepted responsibilities of a Councillor. The allowances for the Chairman of the Audit, Human Resources, Lake Administration and Overview and Scrutiny Committees are at £1,863.00. The Licensing/Licensing Regulatory Committee and the Chairman for the Standards Committee are at £931.50 and the allowance for the Chairman of Planning Committee is at £2,794.50.

18. The SRAs currently claimable within SLDC are: -

- The Leader of the Council (With Portfolio);
- The Deputy Leader of the Council (With Portfolio);
- The Leader of the Opposition;
- The Chairman of the Council;
- Other Members of the Council's Cabinet (five);
- Chairmen of the Council's Committees (eight);
- Shadow Cabinet Members (except for the Leader of the Opposition (six));
- The Political Group Leaders (three).

Review

19. In the light of the information submitted to the Panel there was discussion about the SRA's.
20. The actual value of SRA is based on an assessed level of additional responsibility, accountability, time and effort required over and above that associated with Members' roles as front line Councillors which is covered by the Basic Allowance. The Panel did not receive any significant evidence either from individual Members' submissions or from comparator information from other authorities which supported any change to the SRAs.
21. Considering the evidence relating to SRA's, the Panel found that the commitment involved in preparing for and attending Planning Committee varied greatly from some of the other Committees. The complexity and responsibility involved and the level of decision making, together with the requirement for training, was deliberated by the Panel. This point was referenced and confirmed by the Members who met with the Panel. The Panel proposed the introduction of an additional Special Responsibility Allowance of £250 per annum to Members of the Planning Committee in recognition of the additional workload and training

involved, site visits and the impact/complexity of matters addressed and decided upon by the Committee.

22. The Panel considered limiting the above recommended Special Responsibility Allowance to Members who attended 80% of the Planning Committee meetings, however, it recognised the administrative complexities in monitoring this arrangement.
23. The Panel considered the evidence put forward in relation to Portfolio Allowance and concluded that no change would be recommended at this present time.
24. Following the removal of the SRA for the role of Vice Chairman in 2017/2018, the Panel reviewed this aspect of SRAs and concluded that there was no evidence forthcoming which justified any change. However, the Panel intend to address this issue again in 2021/22.

Recommendation

25. That there be no change in the level of existing SRAs except for the introduction of additional SRA of £250 per annum for members of the Planning Committee.

Childcare/Dependants Allowances

Current arrangements

26. The current arrangement is a minimum of £3.00 and a maximum of £15.00 per hour, upon production of proof of payment. The rate is payable from the time of leaving home to returning home. The duties to which it applies are listed in Schedule 2 (Part 1) of the current Scheme of Allowances. There is no requirement for carers to be formally registered. The IRP considered that there was no requirement for a further review of this allowance. The allowance is considered sufficiently flexible to make adequate arrangements for the care of children and dependents.

Review

27. The Allowance was reviewed by the IRP.

Recommendation

28. That the upper limit of the allowance remains at £15 per hour, payable on production of receipts/invoices from carer(s) to the satisfaction of the Finance Lead Specialist and S151 Officer. The IRP recommends that the allowance continues to be payable from the time the recipient leaves home to the time of return.

Travel and Subsistence Expenses

Current Arrangements

29. The recommended travel rates are based on Members receiving recompense for expenses necessarily incurred in carrying out their Approved Duties whilst providing no element of profit. The level of payment in respect of mileage is commensurate with the guidelines set by Her Majesty's Revenue and Customs (HMRC).
30. The current mileage rate for travel outside Cumbria is the cheapest rail fare available for the journey or at a public transport rate of 50% of the car mileage allowance, giving a

current rate of 22.5p per mile, whichever is the least amount. The preferred mode of travel is by public transport (if by rail at standard class rates) but where this is not feasible and Members use their own vehicles then mileage will be paid in accordance with the rates set by HMRC without attracting a tax charge (currently 45p per mile), this to apply to the first 150 miles of a return journey regardless of the destination and 25p per mile thereafter.

31. The subsistence rate is reviewed in line with the percentage annual increases in the Retail Price Index at 1 April each year, which is the method used for reviewing the subsistence rates paid to SLDC employees.

Review

32. As well as reviewing comparative information from Peer Authorities, the IRP found that there was a very low level of claims for subsistence from members. It is considered that no further comparative information from Peer Authorities is required. This being subject to the subsistence rates being increased by RPI at 1 April 2020.

Recommendations

33. That the list of Approved Duties for travel and subsistence as shown in Schedule 2 Part 1 of the recommended scheme be continued.
34. The current arrangements remain the same as last year.
35. Should the maximum Mileage allowance be increased by HMRC during the fiscal year then the Mileage Allowance will be increased to that maximum and backdated to the date of the increase by HRMC in that fiscal year.

Co-optees' Allowance

Current Arrangements

36. Co-optees' are currently permitted to claim an allowance of £38.38 per meeting.

Review

37. The IRP received no representations on this issue.

Recommendation

38. The IRP recommends that, in line with the recommended increase to the Basic Allowance, Co-optees' Allowance be increased in line with the public sector 2020 pay award up to a maximum of 2%.

Amendment of Scheme

39. In the event that the scheme is amended then any revised allowances shall apply from the date specified.

Scheme

40. The scheme, as attached as Appendix B to this report, is recommended for Council's approval.

Acknowledgements

41. The IRP would like to express its gratitude to Linda Fisher (Legal, Governance and Democracy Lead Specialist), Josie Smith (Solicitor – Legal, Governance and Democracy Specialist), Una Bell (Case Management Team Leader), Cat Brumwell (Case Management Officer) and Adam Moffatt (Case Management Officer) for their assistance in providing guidance regarding the relevant regulations, the collection of comparative data, collection of associated information regarding Council services, operational issues and arrangement of accommodation and hospitality for meetings.

42. In addition the IRP wishes to thank those Members and Officers who made representations to the Panel.

SALLY PARNABY
CHAIRMAN INDEPENDENT REMUNERATION PANEL

7 February 2020