

REPORT TO: Council
DATE: 6th March 2019
REPORTING OFFICER: Independent Members' Allowance Panel
SUBJECT: Members' Allowance Scheme – Tri-annual Review
WARDS: Borough wide

1.0 PURPOSE OF REPORT

To invite Council to consider the proposals of the Independent Members' Allowances Panel and to approve a Scheme of Allowances for Members with effect from April 2019.

2.0 RECOMMENDATION: That Council consider the

- 1) recommendations of the Independent Members' Allowances Panel as set out in Paragraph 6 of this report; and**
- 2) having regard to the Panel's recommendations, determine the Members' Allowance Scheme to be effective from April 2019 for a 3 year period.**

3.0 SUPPORTING INFORMATION

- 3.1 Under the Local Authority's (Members' Allowances) Regulations 2003 the Scheme of Members' Allowances, which was approved in March 2016, is due for review. It must be reviewed tri-annually.
- 3.2 As reported to Council at its last meeting, in consultation with the Leader, the Chief Executive invited three independent and respected private sector representatives to sit as an Independent Panel (the Panel) to review the Council's Scheme of Members' Allowances and to make recommendations to the Council with regard to the matters to be included in the scheme. The Panel members were identified as having private sector experience and also a strong understanding of the public sector, having worked closely with the public sector on numerous projects and partnerships. All three are independent of the Council.

The Panel consists of the following

Rachael Owen – Chief Executive, Halton Chamber

John Downes – MD, Langtree

John Lewis –MD SOG Ltd,

4.0 BACKGROUND

- 4.1 The Panel were provided with, and appraised of, the Council's current scheme of allowances. This recognises the time and commitment of all Councillors as well as incidental costs incurred such as use of their vehicles, homes, internet and telephone for Council business.
- 4.2 Private use of mobile phones (etc.) is excluded and is met personally by Councillors.
- 4.3 All Councillors receive a Basic Allowance. Special Responsibility Allowances are paid in addition to Basic Allowances. Special Responsibility Allowances are paid to reflect the additional work involved in undertaking certain roles and taking on additional responsibilities within the Council's Constitution.
- 4.4 The current scheme also makes provision for payment of allowances in respect of the cost of child care or care for dependents' incurred by Members in carrying out their duties.
- 4.5 Travel and Subsistence Allowances are payable for approved duties which are detailed in the current scheme on the production of relevant receipts. The current scheme permits co-optees reimbursement of travel and subsistence and childcare and dependent care allowance on the same basis as Members of the Council.
- 4.6 From 1 April 2014 Elected Members in England are unable to join the LGPS. Those Elected Members in England who were in the scheme on the 31 March 2014 can remain in the scheme until the end of their current term of office. Elected Members in England will not be able to rejoin the LGPS in any subsequent term of office in which they serve. The allowances of Elected Members of the Council currently admitted in to a Local Government Pension Scheme are treated as amounts in respect of which pensions are payable.
- 4.7 At the present time the allowances in the scheme are increased each year by the same percentage increase (or increases) as the NJC pay award for Local Government employees. Where different increases are awarded to different sections of the NJC workforce the percentage increase applicable at spinal column 29 applies. Increases apply on the same date as the pay award and are backdated where appropriate. Increases in travel and subsistence allowance take effect from the date on which the pay award is formally agreed. Full details of the current scheme are attached as Background Papers to the report.
- 4.8 To enable the Panel to consider the appropriateness of the existing scheme, details of neighbouring authority schemes was collated and this was made available to the Panel. This information is available on request.

- 4.9 The Panel invited the Leaders of the three political groups on the Council to share with them their thoughts on the current Members Allowance Scheme and any changes they would wish to see.
- 4.10 The Panel also invited all Members to share with them any thoughts they had on the current allowance scheme and any changes they would wish to see.
- 4.11 The Panel were advised by the Chief Executive, the Operational Director (Legal) and the Operational Director (Finance) on matters relating to the work of Elected Members, the law and other matters relating to Members' Allowances.
- 4.12. At the request of Cllr Thompson and Cllr Peter Lloyd-Jones the Panel were also provided with information recently shared with the Local Government Boundary Commission on the role and work of Councillors in Halton. The Panel found this information very useful. This is also available on request.

5.0 PANEL FINDINGS

- 5.1 The Independent Panel met and corresponded on a number of occasions. The Panel received a briefing provided by the Chief Executive and considered the papers that were provided in advance of their meetings. The Panel commented that this information was both informative and comprehensive and has helped the Panel to provide an informed and considered view on the current Members' Allowance Scheme.
- 5.2 The Panel also
 - 5.2.1 Invited comments from the Leaders of the three political groups, Councillor Bradshaw, Councillor Polhill and Councillor Rowe. This information is available on request.
 - 5.2.2 Considered written representations submitted by Councillors. This information is available on request.
 - 5.2.3 Considered information recently shared with the Local Government Boundary Commission on the role and work of Councillors in Halton. This is also available on request.
- 5.3 After a thorough review of the current scheme, consideration of the comparative data, reviewing the comments received from the Leaders of the Labour, Conservative and Lib/Dem Groups respectively, considering the written representations received from Elected Members and a detailed discussion the Panel concluded as follows ;

- The Panel noted the major financial pressures currently facing local authorities.
- The general feeling was that it would be inappropriate to increase the overall budget relating to the cost of Members' Allowances given the current challenges on budgets in the public sector.
- The Panel felt the current scheme of Members' Allowances was still, "fit for purpose" and did not require any major changes or amendments.
- It was noted Members' Allowances currently account for less than 0.5% of the Council Budget.
- The Panel were of the view the current scheme of Members' Allowances offers the community of Halton **good value for money**, given the time commitment given by Elected Members to a variety of representative roles and the local advocacy undertaken by Councillors in Halton.
- Allowances in Halton are generally about 90% on average of those in similar roles when compared with neighbouring authorities.
- It was noted Halton continues to be recognised as a high performing Council with Members at the heart of its activities. Public satisfaction levels are also generally in the upper quartile and the Auditor has consistently reported a good "value for money" finding.
- The strong and effective leadership of the Leader was noted. In particular, his leadership in respect of a number of major projects, such as Mersey Gateway, his work with the LCR Combined Authority and in leading the Council through a period of unprecedented budget cuts arising from the Government's reduction in funding for local authorities, was commented on. The Panel felt that his level of performance and leadership represented **excellent value for money**, given the relative level of his allowance (85% on average of those in similar roles when compared with neighbouring authorities) and should be noted.

The Panel offered the following observations for consideration by the Council, in respect of

- 1) **Payments to Vice Chairs** There was a general consensus in the Panel that the Allowance appeared disproportionate for the actual activity that was undertaken by Vice Chairs. In reviewing the Vice

Chair's Allowance, not only did the Panel look at the current relationship between this Allowance and workload, the Panel also noted that few other authorities paid an Allowance to Vice Chairs and even if they did, it was not at the level paid by Halton. The Panel agreed to retain the Vice Chair's Allowance but to invite the Council to consider if it should be removed and reallocated across the pot for the Basic Allowance thereby increasing the Basic Allowance for all Councillors.

- 2) **Scrutiny Coordinator** The Panel queried the financial allowance afforded to the position, given that it doesn't appear that other authorities have a similar remunerated position. Having queried the allowance, the Panel were advised of the governance structure at Halton Council and the importance of the role, especially given the heavy weighting of the controlling party. The Panel concluded that an allowance was proper.

The Panel were further reassured that should the weighting of any particular party change as a result of future elections, which might render the position less significant, if this was the case the Independent Panel will be consulted further at that time. Following an explanation of the role of the Scrutiny Coordinator the Panel agreed to retain the Scrutiny Coordinator Allowance.

- 3) **Leader** The Leader's Allowance remains below that of similar authorities (85% on average of the allowance provided by neighbouring authorities) This provides excellent value for money. The Panel agreed not to increase the Leaders Allowance given the financial pressures on the Council's budgets but would invite the Council to consider increasing the Leaders Allowance to bring it in line with the average of neighbouring authorities. A figure of £25,000 would be appropriate if the Council are minded to do this.

6.0 RECOMMENDATION

It is recommended THAT

- 6.1 the current Members' Allowance Scheme, is fit for purpose and should remain unaltered, subject to consideration of the Panel's comments above on following Allowances as set out in paragraph 6.2**

6.2 6.2.1 Vice Chairs Allowance

6.2.2 Scrutiny Coordinators Allowance

6.2.3 Leader's Allowance

7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Current Members' Allowance Scheme

Current Members' Allowance Schemes for neighbouring local authorities.

Correspondence from Members

Information recently shared with the Local Government Boundary Commission on the role and work of Councillors in Halton.