

REPORT TO:		Council	
DATE:		07 November 2024	
PORTFOLIO:		Councillor Munsif Dad, Leader of the Council	
REPORT AUTHOR:		Executive Director (Legal & Democratic Services)	
TITLE OF REPORT:		Review of the members expenses scheme	
EXEMPT REPORT:	No		
KEY DECISION:	No	If yes, date of publication:	

1. **Purpose of Report**

To inform members of the recent review of the members expenses scheme and the recommendations of the Council's Independent Remuneration Panel.

2. **Recommendations**

It is recommended that Council:

- 2.1 consider the report of its independent remuneration panel attached at Appendix 1 to this report, and having done so;
- 2.2 agree to amend the members allowances scheme to:
 - i) create a new special responsibility allowance payable to member champions in the sum of £250 each, subject to a maximum number of four such allowances being payable annually; and
 - ii) reduce the special responsibility allowance payable to vice chairs of overview and scrutiny committees to £2,217.00 to bring it in line with special responsibility allowances payable to other committee vice chairs; and
- 2.3 agree to enable basic and special responsibility allowances to be increased annually by the same percentage rate of increase as the NJC pay award for Council employees, noting that this will only be permissible for the next four financial years without consideration of a further report from the independent remuneration panel; and
- 2.4 agree that the recommendations above take effect from 1st April 2025.

3. Reasons for Recommendations and Background

3.1 The statutory role of the independent remuneration panel is to advise the Council in respect of the allowances and expenses paid to councillors. By law, the Council is unable to amend its members allowances scheme without having regard to the recommendations of its remuneration panel and this must be done at a meeting of the Council as a whole, although the panel's recommendations are not binding on the Council. The Council is therefore able to take decisions about members allowances that differ from the recommendations of the remuneration panel.

3.2 By law, the Council must have a scheme for the payment of members' allowances. The scheme:

- must provide for payment of a basic allowance. The basic allowance must be paid to every councillor and every councillor must be paid the same amount;
- may provide for the payment of special responsibility allowances which are paid to councillors who have special roles and responsibilities;
- may provide for payment of a childcare and dependent carer's allowance.

A copy of the Council's current members allowances scheme is attached to this report at Appendix 2.

3.3 The last significant change to members expenses occurred in 2011/12 when the Council revised its members allowance scheme to reduce members allowances to 2009/10 levels. This was to reflect the position with staff pay, which had remained static since 2009/10. Councillors were also limited to claiming only one special responsibility allowance each.

3.4 The Council's members allowances scheme provides for basic and special responsibility allowances to be increased on 1st April each year in line with the NJC local government pay award and, between 2011/12 – 2015/16, members allowances were therefore increased on this "inflation only" basis. However, the law only permits "inflation only" increases to be made for four consecutive years without the benefit of a remuneration panel report which considers whether the practice should continue and at what rate. No such report has been presented to Council since 2011/12 and the allowances paid to members have therefore remained unchanged since 2015/16.

3.5 As the members allowances scheme has not been reviewed for several years, the Leaders Policy Development Board (which comprises the Leader and Deputy Leaders of the Council's political groups) met on 29th July 2024 and agreed unanimously to reconvene the independent remuneration panel to consider the following matters:

- a. whether the Council should again have the capacity to increase allowances by reference to inflation as previously (subject to the legal proviso that this can only be done on four occasions without reference to the remuneration panel); and
- b. whether the special responsibility allowance for vice chairs of overview and scrutiny committees is out of step with the special responsibility allowance paid

to other committee vice chairs and, if the panel consider that it is, what the appropriate level of allowance should be; and

- c. whether a special responsibility allowance should be paid in recognition of the “member champion” role and, if the panel consider that it should, what the appropriate level of allowance should be and whether a limit should be placed upon the number of such allowances payable.

3.6 In identifying the above issues, the Leaders Board was mindful of the following:

- That it did not wish to seek an increase in the basic allowance or in special responsibility allowances generally, being mindful of the current cost of living crisis; and
- That it believed the Council’s members allowances were now more in line with the Lancashire norm, having once been somewhat above that level; and
- That the Board did not want to put up financial barriers to local people becoming councillors and wanted to value the work that councillors do in their communities;

3.7 Member champions:

The Council is now thinking of appointing a number of member champions to lead on specific issues (such as young people, the armed forces, disability etc). The champions will be expected to gain detailed knowledge of their subject area and come up with proposals for consideration by the Cabinet and Council. This idea is not unique to Hyndburn. The member champion role is fairly common nationally and has been adopted already by a number of Lancashire district councils who also recognise the duties and obligations of the role by the award of a small special responsibility allowance, as follows:

Council	Amount	Number Permitted
Wyre	£250.00	5
Lancaster	£257.50 max	£1,000 total pot to be shared between champions up to cap of £257.50 each
Chorley	£399	
Preston	£1,246	3

3.8 At a meeting on 22nd October the Leaders Board considered the report and recommendations of the independent remuneration panel. The Leaders Board agreed the following:

Member Champions

The Leaders Board agreed that payment of a small special responsibility allowance is appropriate, as those appointed to the member champion role will be required to attend events and meetings related to their role, as well as acquiring detailed knowledge of their subject area and making recommendations to officers, Cabinet and Council. The sum of £250 was proposed as this was in line with payments made for the role in

Lancashire, subject to a limit of four member champion special responsibility allowances being payable annually.

Overview & Scrutiny Vice-chairs

The Leaders Board agreed that the current rate of allowance was out of step with the payments made to other committee vice chairs and that greater parity would be achieved by reducing the special responsibility allowance to £2,217.00. The Leaders Board considered that this sum more properly reflected the nature and obligations of the role.

Increase of allowances by reference to NJC pay award

The Leaders Board considered that it was appropriate to reinstate the annual inflationary increase, given that no such increase had been made since 2015/16. It was also considered that the proposal reflected the increasing professionalisation of the member role and the time commitment involved.

4. **Alternative Options considered and Reasons for Rejection**

- 4.1 The Council is not required to accept the recommendations in this report. The Council could chose to accept the recommendations of the remuneration panel in their entirety or members could chose to adopt different rates of allowance from those proposed in this report.

5. **Consultations**

- 5.1 The Leader's Policy Development Board proposed the issues the Independent Remuneration Panel was asked to consider.
- 5.2 The Leader's Policy Development Board was consulted in respect of the recommendations in this report and supports the same.

6. **Implications**

Financial implications (including mainstreaming)	<p>There are no cost implications in the current financial year.</p> <p>The changes are not expected to have any cost implications for the Council. The reduction to the special responsibility allowance payable to Overview & Scrutiny Vice-chairs will more than meet the cost of the special responsibility allowance proposed for the Member Champions. All budgets are also adjusted annually to take account of inflation, which should cover the proposed inflationary uplift to allowances.</p>
Legal and human rights implications	<p>These are discussed in section 3 above.</p>
Assessment of risk	<p>No significant risks have been identified</p>

<p>Equality and diversity implications A <i>Customer First Analysis</i> should be completed in relation to policy decisions and should be attached as an appendix to the report.</p>	<p>The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report Cabinet must have regard to the need to:</p> <ul style="list-style-type: none"> • eliminate unlawful discrimination, harassment and victimisation; and • advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and • foster good relations between those who share a relevant protected characteristic and those who don't. <p>For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Council is advised to consider its obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report.</p>
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**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

None.

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.