

Report of: The Independent Remuneration Panel
To: Blackpool Council on Wednesday 30 November 2022

Review of the Members' Allowances Scheme

1. Introduction

- 1.1 The Council has appointed an Independent Remuneration Panel to advise the Council on the adoption of a scheme of members' allowances.
- 1.2 The Panel was convened under the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021). These regulations, which arise out of the relevant provisions in the Local Government Act 2000, require all local authorities to set up and maintain an advisory Independent Remuneration Allowances Panel to review and provide advice on Members' allowances. All Councils are required to convene their Allowances Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
- 1.3 We were asked to consider and make proposals to Blackpool Council on:
 - the uprate figure to be applied from 1 April 2022 as there was no percentage increase for staff (the comparator used in the scheme) and instead a fixed payment for staff
 - consideration of payment for more than one special responsibility allowance, following a request for this
 - a proposed schedule for a full review of the Members' Allowances Scheme which takes place every four years
 - as part of the above, whether a special responsibility allowance should be in place for the Armed Forces Champion, following a request for this
- 1.4 A meeting of the Panel was held on 16 November 2022 in relation to the above.

2. Methodology

- 2.1 We were supplied with the following information to assist us in our work:
 - The current Members' Allowances Scheme and some options for an appropriate uprate to the scheme
 - Details of the guidance document on members allowances and an outline of the political management structure
 - Details of regulatory committees in relation to responsibilities, time commitment and level of training required
 - Brief details of the Armed Forces Champion role published on the Council's website
 - A proposed outline for a full review of the scheme based on the previous four year review

2.2 The Director of Governance and Partnerships and Head of Democratic Governance attended the meeting to answer questions from the Panel.

3.0 Uprate to the Members' Allowances Scheme for 2022/23

3.1 The Member Allowances Scheme states

“From 2012, the amounts in this scheme will be uprated annually in line with the National Joint Council (NJC) for Local Government Service pay award (with the exception of mileage allowances which will be uprated at the same time as staff mileage allowances).....” This uplift method was again reviewed and confirmed in 2015 and 2019 as part of the full review of Member Allowances.

3.2 The way in which the Local Government pay Award has been applied has changed this year to be a fixed payment to all staff of £1,925 rather than a percentage increase. The Members' basic allowance at Blackpool is currently £10,663.90 per annum meaning the application of this same uplift would require an increase of approximately 18%, which is significantly more than the percentage increase for employees (the payment equates to a mean average of 6.2% for employees in Blackpool Council), backdated to April 2022. As part of the agreement there will also be an uplift to expenses/ allowances payable to staff of 4.04% (this uprate percentage would normally apply to similar travel and subsistence allowances for members).

3.3 We acknowledged that the reasons for the pay award such as cost of living, inflation, rising energy costs and that the fact that the Foundation Living Wage (formerly the Joseph Rowntree Living wage) had risen from £9.90 per hour in 2021 to £10.90 per hour in 2022 which we had originally used to calculate the basic members allowance, were all valid reasons that there should be some uplift to Members Allowances.

3.4 We were informed that many Councils faced a dilemma in terms of an uplift figure to be applied as the NJC award percentage was a common uprate factor in Members' Allowances schemes. Local authorities who use the NJC scheme for the uplift process are now asking their Independent Remuneration Panels to consider options for an appropriate uplift to be applied to the Member Allowances Scheme. The options have been identified as:

- a) No change to the current allowances. Basic allowance remains at £10,663.90 per annum.
- b) The Members' basic allowance receives the same uprate as staff, so an extra £1,925 increase to the current £10,663.90, taking the basic allowance to £12,558.90. This equates to around an 18% increase, which is much higher than the raise for the lowest paid workers.
- c) The Members' basic allowance receives the Blackpool staff mean average of 6.2% increase.
- d) The basic allowance receives the 4.04% allowance increase as the figure used to uprate other allowances in the scheme.
- e) The CPI inflation rate rose by 11.1% in the 12 months to October 2022.

- 3.5 We considered all of the above options and were also aware that some Lancashire authorities had asked their Independent Remuneration Panels to consider a 4.04% uprate and that there was evidence of a similar rate being considered in other parts of the country. We were mindful that it was important to consider comparative authorities who use the NJC uplift in reaching a conclusion on a fair rate.
- 3.6 It was acknowledged that this was an unusual year in that the percentage uprate was not automatically being applied and that a full review of the Members' Allowances Scheme would be undertaken in any case in 2023, where any further adjustments could be made from that point.
- 3.7 Following discussion on a rate to be applied, it was considered by the Panel that a 4.04% uplift to the basic allowance was appropriate, given the information above.
- 3.8 In terms of special responsibility allowances, we considered the 4.04% uprate be similarly applied to these with the exception of the following:
- Chair and members of the Shareholder Committee
 - Chair, Audit Committee Chair and non-executive directors of all Council companies
 - Standards Independent Persons
 - Independent members of the Audit Committee
- as these allowances had more recently been reviewed and uplifted.
- 3.9 It was noted that allowances for the Fostering Panel were uprated in line with those for independent representatives on the Panel.
- 4.0 Payment of more than one special responsibility allowance (SRA)**
- 4.1 In our report to Council in June 2019, we recommended Council (and it agreed) that the expectation that only one SRA should be paid should continue, however, where a councillor was appointed to two roles and there was a request to consider a second allowance, the Panel would consider this on its merits.
- 4.2 We have considered requests on two occasions where a councillor has been appointed to more than one role and were aware that there had been similar individual requests made since to consider a second SRA. At our meeting we discussed whether alternative provisions within the Scheme would be more appropriate either through a delegation arrangement or a provision in the Scheme itself to allow a second SRA to be paid for certain committees.
- 4.3 Further details of committees set out in the political management structure in the constitution was requested and in reviewing that information, we noted that the Chair and Vice Chair positions of particular regulatory/ governance committees – namely Appeals Committee, Audit Committee, Planning Committee and Public Protection Sub Committee - required a greater level of time commitment, accountability (dealing with regulatory and governance process and procedure) and formal training prior to taking up positions and beyond.
- 4.4 Having considered the above information, we concluded that there is merit in allowing an SRA for these in addition to one other SRA.

4.5 We also concluded that a provision within the Members' Allowances Scheme setting out this principle in relation to the regulatory committees at 4.3 above, would provide greater clarity and transparency in terms of application.

5.0 Armed Forces Champion

5.1 We were aware of a request to consider whether or not an allowance should be paid for this role. It was noted that this was a role that had been established over a number of years in Blackpool and many cities/towns across the country, but the role had not been reviewed previously as part of the Members' Allowances Scheme. We were conscious that we needed to identify comparator authorities along with further details of the responsibilities and therefore considered that this should form part of the full four year review when the information gathering exercise would be undertaken.

6.0 Full four-yearly review

6.1 We considered the last full review in 2019 and agreed that a similar programme was undertaken in 2023 with meetings prior to the election to undertake some preparatory work as well as post-election when any revised political managements were in place.

7.0 Recommendations to Council

7.1 That a 4.04% uprate is applied to the basic allowance, special responsibility allowances (with the exception of those set out in paragraphs 3.8 and 3.9) and travel/subsistence allowances for members for financial year 2022/23.

7.2 That in relation to Chairs and Vice-Chairs of the Appeals Committee, Audit Committee, Planning Committee and Public Protection Sub-Committee, the special responsibility allowance (SRA) for these positions can be paid in addition to one other SRA from within the Political management structure as set out in the constitution.

7.3 In relation to 7.2 above, that this takes effect from the Annual Meeting 2022 and that the Members' Allowances Scheme is amended to include this provision.

7.4 That consideration of whether a special responsibility allowance for the Armed Forces Champion would be considered as part of the full four year review.

Mr N Kilgallon
Mrs H Hockenhull
Mr G Molyneux