



<b>REPORT OF:</b>	<b>THE INDEPENDENT REMUNERATION PANEL</b>
<b>TO:</b>	<b>ANNUAL COUNCIL</b>
<b>ON:</b>	<b>17<sup>th</sup> MAY 2018</b>

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**SUBJECT: REVIEW OF THE MEMBERS ALLOWANCE SCHEME 2018/19**

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## **1. PURPOSE OF THE REPORT**

To review the current Members Allowance Scheme in the light of changes made to the Constitution reflecting the new Council Ward Structure post the Boundary Review and election of 51 Councillors to the revised Council from May 2018.

## **2. RECOMMENDATIONS**

The Annual Council is asked to consider this report and the Proposed Members Allowances Scheme 2018/19 (set out in Appendix A) and agree its introduction from May 2018 on the recommendation of the Independent Remuneration Committee.

## **3. BACKGROUND**

At Council Forum in October 2017 Members resolved that the Chief Executive advertise to refresh the Independent Remuneration Panel in readiness for the new Council Constitution in May 2018 and that the Panel once appointed provide the Council with a report outlining their recommendations for the 2018/19 Scheme at the Annual Council, i.e. the first meeting of the new Council.

## **4. REVIEW OF THE SCHEME**

Following the resolution of the Council an advert was placed to refresh the Panel. The new Panel was subsequently appointed and met twice in April 2018 to consider a revised Scheme reflecting the changes to the Council due in May 2018 and the impact this would have on the roles and responsibility of Councillors elected to the new Wards.

The refreshed Panel was Ian Woolley, ex Chair of a Local Health Authority and Retired Managing Director of a Local Pharmaceutical Business. (Mr Woolley was also a previous member and Chair of the Panel). Graham Burgess, ex local authority Chief Executive and current Chair of Blackburn with Darwen CCG, Alan Cotton, retired Local Government Senior Executive (and previous IRP Panel Member) and Nicola Clayton, Director of Business Development and External Engagement, Blackburn College/Chair of BID. The Panel once again elected Ian Woolley to be Chair. The Panel met with the Chief Executive and the Monitoring Officer and also with the Deputy Chief Executive. The Panel received a range of information in advance of their meetings as follows:

- (i) A full copy and explanation from Officers (as above) of the existing Member Allowance Scheme from 2013.
- (ii) A summary profile of the key allowances paid by other Local Authorities across the region.
- (iii) Information with regards to the responsibilities of various Members roles in the Council – as per the Council Constitution with clarifications from officers present.
- (iv) Information on the numbers, types and responsibilities of internal and external meetings and appointments to various bodies.
- (v) The Training Plan for Members to assess and gauge the range of training required to undertake the role of a modern Councillor effectively.
- (vi) Maps of the new Wards to understand the size and demography of the revised Council structure and the impact on elected Member roles and responsibilities.
- (vii) The written views of party leaders as submitted in respect of their thoughts on the review of the Member Allowance Scheme.

## **5. FINDINGS OF THE PANEL**

The Panel found that the current Scheme should be amended in the light of the changes to the Council and the Structure of Allowances should also be modernised and simplified.

### Basic Allowance

The Panel considered that with the Blackburn with Darwen basic allowance generally being lower than that of similar size council's across the region this should be uplifted.

The Panel also considered the structure of what the Allowance was for and considered in the digital age, there is an expectation that Members should embrace digital solutions and encourage engagement through these channels as well as the more traditional approaches to their work. To recognise this the Panel felt separate allowances for 'broadband' and computer consumables etc. should be removed and assumed into the basic allowance for all members.

Similarly the basic allowance should be sufficient to expect all Councillors to take on active roles within Groups or on Committees/Panels.

For this reason the Panel considered the small and often notional allowances should be ceased with these also being assumed going forward as covered by an uplifted basic allowance.

The Panel felt compelled in the current financial climate to take due care to not impose undue financial burden on the Council by proposing a major increase in the basic allowance, despite the current level being significantly lower than most other Local

Authorities across the region. The Panel however felt it needed to recognise that Councillors in Blackburn with Darwen have an often challenging role. The current agreed allowance had also been frozen for some time by the general public sector pay freeze of recent years which had led to little change in recent years. Nevertheless with pay awards now generally being agreed across the sector, the Panel considered now was the time to re-dress some of the imbalance between Blackburn with Darwen Borough Councillor's allowances and those of regional counterparts.

### **Senior Responsibility Allowances**

In the current scheme there are a number of small allowances for roles which the Panel considered could be covered by a general rise in the Basic Allowance for all Members (as above).

The Panel considered that by investing in the basic allowance all Members should then be encouraged to fully participate in additional roles across the Council, in particular acting as vice chairs to the non-statutory committees.

It was also considered by the Panel that allowances for Non-Unitary Council Councillors should cease as the roles they undertake should be seen as independent of the Council's direct influence.

The Panel were informed that the Council has moved over the years since the last review to include roles of Assistant Executive Members (referenced as Lead Members in the Current Scheme). These Assistant Executive Members will take on lead spokesperson responsibilities especially given the size and range of the portfolio responsibilities of an Executive Member (with portfolio) in the new enlarged Council areas/wards. Reflecting the wider range of responsibilities the number of these allowances have been increased. The Panel now therefore do not consider going forward the current practice of this allowance being shared in some instance, will be necessary and the amount to be paid is considered to be more reflective of the role to be played.

A similar increase in value for the Opposition Spokesperson (Shadow Cabinet) is also suggested, however given these Councillors do not take direct responsibility or accountability for the services in the portfolios, the Panel did not consider the retention of separate allowances for Opposition Shadow Lead Members, could be justified. Similar to the other minor allowances in the existing scheme the Panel considered the increase in the basic allowance would suffice as an appropriate reflection of these Councillors taking an engaged role in Council business.

The Panel noted that Appeals Panels were relatively infrequent and felt that it should be a role widely available to Members and therefore they have proposed a fixed fee per meeting. Leaders of respective parties would in future be asked to nominate participants as and when required.

The Panel was particularly cognisant of the role of Mayor and the level of time and commitment to this role. For this reason, whereas there is a general rise in the main SRA's, the Panel considered the Mayor's payment and to a degree the Deputy Mayor's payment, should be increased more significantly in comparison to other roles.

The Panel also considered the roles of Chair and Vice Chairs of Planning and Highways Committee and Licensing Committee should also be enhanced beyond the general approach taken. Both committees are statutory in nature and actively and require significant time and related work to function effectively.

The Panel also considered the current allowance for the Minor Opposition Leader and considered this should be subject to a minimum 'group' of 5 members (10%) of the Council Member number.

### **Travel and Subsistence Allowances**

The Panel made minor changes to the Travel Allowance Scheme to ensure the payments for subsistence allowances were in line with those available to employees of the Council and proposed travelling expenses be based on Inland Revenue rates. The Panel agreed these respective allowances should be linked to the respective employee rates and Inland Revenue rates on an ongoing basis throughout the life of this proposed new scheme. In this context the Panel confirmed the allowances now proposed should be subject to uprating annually in line with the pay award for local authority NJC staff or Inland Revenue mileage rates as appropriate.

## **6. POLICY IMPLICATIONS**

Local Authorities are required by The Local Authorities (Members Allowances) (England) Regulations 2003 to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances and associated matter that are paid to Councillors. This report fulfils this duty and establishes the Council's Policy for the Members Allowances Scheme from 2018/19.

## **7. FINANCIAL IMPLICATIONS**

The cost of the proposals set out in this report by the Independent Remuneration Panel is £26,500 and these costs can be contained in the 2018/19 revenue budget

## **8. LEGAL IMPLICATIONS**

Local Authorities are required by The Local Authorities (Members Allowances) (England) Regulations 2003 to establish and maintain an Independent Remuneration Panel. The Panel has to produce a report making recommendations in accordance with the regulations. The proposals in this report meet this duty by presenting the Independent Remuneration Panel's recommendations on a revised Members Allowance Scheme for the Council. The Council must consider the recommendations in determining the Member Allowances Scheme from 2018/19 onwards.

## **9. RESOURCE IMPLICATIONS**

The payment of Member Allowances is currently incorporated in the Functions of Governance Services and delivered through the Council's HR & Payroll Services. The

allowances and expenses are paid via a modern digitised and automated service to minimise administrative costs to the Council.

## **10. EQUALITY IMPLICATIONS**

Not applicable, all allowances and expenses are paid to the Councillors holding the respective office/role irrespective of any characteristics ad defined in equalities legislation.

## **11. CONSULTATIONS**

As set out in the report, the Independent Remuneration Panel is drawn from open advertisement and their recommendations are presented in full to the Council for Consideration.

### **Chief Officer/Member**

Contact Officer:	David Fairclough
Date:	25 April 2018
Background Papers:	Papers for IRP April 2018 meetings c/o Monitoring Officer, Blackburn with Darwen BC.