

INDEPENDENT REMUNERATION PANEL

**MEETING HELD AT THE CHURCHTOWN ROOM, TOWN HALL,
SOUTHPORT
ON 30 MAY 2019**

PRESENT: Mrs S. Lowe (Chair)
Mr E. Davies
Mr J. Fraser

1. ELECTION OF CHAIR

RESOLVED:

That Mrs. Susan Lowe be appointed Chair of the Independent Remuneration Panel for the 2019/20 Municipal Year.

2. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

3. MINUTES

RESOLVED:

That the Minutes of the meeting held on 7 September 2017 be confirmed as a correct record.

4. COUNCIL'S CURRENT FINANCIAL POSITION

The Panel received a presentation from Mark Chambers, Service Manager Finance, on the Council's current financial position.

Mr. Chambers highlighted the following points:

- The Council is currently in Year 3 of the current financial plan 2017/18 to 2019/20.
- The Framework for Change 2017 provided the basis for the delivery of financial sustainability.
- The Council is currently operating with a £64 funding shortfall.
- The Council faces increased demands from Health and Social Care, both adult and children's social care.
- Some one-off funding has been received but additional savings are required.
- The Council faces the in-year challenge of delivering an increased savings target and start to look towards 2020/21 and beyond.

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- Sefton is not in a unique position but the financial environment is extremely challenging.
- Risk management and remedial action planning are central to the strategy.
- Referring to the financial environment 2020/21 to 2022/23 - Whilst the position is very uncertain the Council will have to start planning and delivering further savings.
- There is an estimated Budget shortfall of £15m p.a. or £45m by 2023.
- Gross Budget in 2019/20 is around £340m (net £220m). £45m equates to 13%.
- Key Risks faced are: funding of local government from 2020/21; service demand pressures; Government Policy; is austerity over?
- The Council aims to extend, develop and learn from current Framework for Change 2017.
- Develop a range of proposals and options for member advice and guidance based on strategic vision and direction of travel.
- Financial sustainability will need to be at the heart of the next 3-year budget.

RESOLVED:

That Mr. Chambers be thanked for his informative presentation.

5. MEMBERS' ALLOWANCE SCHEME 2019/20

The Panel considered the report of the Chief Legal and Democratic Officer that sought the views of the Independent Remuneration Panel on a Scheme of Members' Allowances for 2019/20.

The following appendices were attached to this report to aid the Panel in their deliberations:

Appendix 1 – Current Scheme of Members' Allowances

Appendix 2 - Liverpool City Region Local Authorities – Comparison of Members' Allowances

Appendix 3 - Financial Impact of the Potential Indices

Appendix 4 – HMRC Employment Income Manual – Local Government Councillors and civic dignitaries in England: ODPM guidance: Part One: Members' Allowances.

In particular, the Panel were asked to give consideration to the following matters:

- (1) (a) Whether an increase in the allowance should be recommended to Council and that if so;
- (b) Should the increase be linked to one of the indexation options referred to in paragraph 3 of the report and that if so;

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- (c) How long should the annual adjustments in accordance with the indexation continue (up to a maximum of four years);
- (2) the Special Responsibility Allowances paid to Chairs of committees as referred to in paragraph 5 of the report; and
- (3) the payment of Special Responsibility Allowances to Party Group Leaders as referred to in paragraph 6 of the report.

The Chief Legal and Democratic Services Officer presented the report and answered questions thereon.

The Panel discussed how long any annual adjustment should continue and the Chief Legal and Democratic Officer indicated that 4 years was the maximum period under the legislation without the Independent Review Panel having to formally review the scheme; and that a 4-year period would also align with the Council's intention to set a 3-year budget commencing April 2020.

RESOLVED: That having taken Sefton Council's current economic circumstances into account, the Panel recommends to Council that:

- (1) the Members Allowance Scheme remain as it is, subject to (3) below;
- (2) payments under the Members Allowance Scheme be increased in accordance with the Local Government Pay Settlement each year, for a period of 4 years, commencing 2019/20; and
- (3) the Special Responsibility Allowances paid to opposition party group leaders be amended so that any group leader with 10 or more Members receive the full allowance (currently £4,575.35) and any group with less than 10 Members receive one tenth of that allowance for each Member in the group.