

<b>Report to:</b>	Council	<b>Date of Meeting:</b>	16 November 2023
<b>Subject:</b>	Members' Allowance Scheme 2023/24 to 2026/27		
<b>Report of:</b>	Chief Legal and Democratic Officer	<b>Wards Affected:</b>	All
<b>Cabinet Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

### Summary:

To advise Members of a decision of the Independent Remuneration Panel recommending a Members' Allowance Scheme for the period 2023/24 to 2026/27; and seeking a decision of Council on the recommendations.

### Recommendations

That:

- (1) an increase in Members' allowances for 2023/24, be linked to the local government pay settlement;
- (2) spinal column point 25 be used to calculate the increase in Members' allowances thereby increasing such allowances by 6.01%;
- (3) annual adjustments continue to be made in line with the local government pay settlement up to and including the 2026/27 municipal year;
- (4) the Special Responsibility Allowances paid to Chairs of committees be continued in their current form;
- (5) the calculation of the payment of Special Responsibility Allowances to Party Group Leaders be continued in their current form;
- (6) as soon as practicably possible, the scheme of Members Allowances for Sefton be published on the Council's website and in the Metro newspaper circulating in Sefton;
- (7) the Constitution be amended to include the agreed Scheme of Allowances for 2023/24; and
- (8) the Independent Remuneration Panel be thanked for their deliberations on this matter.

**Reason for Recommendation(s):**

The Independent Remuneration Panel is required to recommend to the Council a Scheme of Members’ Allowances.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

The recommended changes could be rejected.

**What will it cost and how will it be financed?**

**(A) Revenue Costs** – Inflationary adjustments in respect of the Scheme of Members’ Allowances will be built into the 2023-24 and subsequent years revenue budget. An uplift of 6.01% will increase the Scheme of Members’ Allowances by £52,525.26 to a total of £963,117.85. The Mayoral Allowance will increase by £936 to £16,510.14.

**(B) Capital Costs** – Not applicable

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> See revenue costs section above.	
<b>Legal Implications:</b> The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) require authorities to make a scheme for the payment of allowances for members and before it makes or amends a scheme, to have regard to the recommendations of an Independent Remuneration Panel.	
<b>Equality Implications:</b> There are no equality implications.	
<b>Impact on Children and Young People:</b> None	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes
There are no direct climate emergency implications arising from this report.	

**Contribution to the Council’s Core Purpose:**

Protect the most vulnerable: Not applicable
Facilitate confident and resilient communities: Not applicable
Commission, broker and provide core services: Not applicable
Place – leadership and influencer: Not applicable

Drivers of change and reform: Not applicable
Facilitate sustainable economic prosperity: Not applicable
Greater income for social investment: Not applicable
Cleaner Greener: Not applicable

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7416/23) has been consulted and any comments have been incorporated into the report. The Chief Legal and Democratic Officer (LD5616/23) is the author of this report.

### (B) External Consultations

In formulating the report for the Independent Remuneration Panel contact was made with Liverpool City Region local authorities to find out information relating to their Schemes of Members' Allowances.

## Implementation Date for the Decision

With immediate effect.

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## Appendices:

Appendix A – Table of allowances showing 6.01% uplift.

## Background Papers:

There are no background papers available for inspection.

### 1. Introduction/Background

- 1.1 The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) require authorities to make a scheme for the payment of allowances for members and before it makes or amends a scheme, to have regard to the recommendations of an Independent Remuneration Panel.
- 1.2 The Independent Remuneration Panel met to consider proposals on 30 June 2023.
- 1.3 The Panel was requested to review Sefton's Scheme of Members' Allowances and that consideration be given to:

- (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 4 of the report and that if so;
  - (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 6 of the report; and
- (3) the payment of Special Responsibility Allowances to Party Group Leaders as referred to in paragraph 7 of the report.

1.4 Prior to consideration of the proposals referred to above the Panel received a presentation from the Service Manager - Finance on the Council's current financial position which included the current context and key issues 2023/24; and key issues for the period 2024/25 to 2026/27.

## **2. Indexation Options**

- 2.1 The Panel considered information on increases in Members' allowances in relation to employee benefits, namely the local government pay settlement or pay growth for the private sector; and general inflationary measures relating to the consumer price index or the retail price index.
- 2.2 The Panel agreed that an increase in Members allowances for 2023/24 be linked to the local government pay settlement. The local government pay award for 2023/24 has now been agreed and that a flat rate increase of £1,925 (pro rata for part-time employees) be paid as a consolidated, permanent addition on all NJC spinal column points (SCP) 2 to 43 inclusive. This flat pay award results in different % increases across SCP's varying from an increase of 9.25% for SCP2 to 3.88% for SCP43.
- 2.3 At the time of the Panel's consideration (30 June 2023) the pay award had not been agreed. However, the Panel was aware that the employer's pay offer was that of a flat pay award of £1,925. The Panel was also advised that SCP25 (the top of Grade G) is used as a proxy for average Council pay and oncosts; so that the adoption of SCP25 would result in the use of the pay award that applied to the majority of SCPs; and that for 2023/2024 the flat pay award of £1,925 equated to an increase of 6.01% at SCP25.
- 2.4 A flat pay award was also agreed for 2022/23 and Member's allowances were uplifted using the same methodology as set out in paragraph 2.3.

## **3. Period of Annual Adjustments**

- 3.1 The Local Authorities (Members' Allowances) (England) Regulations 2003, Part Three section 10 (4) states:

"(4) A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such

index the scheme shall be deemed not to have been amended”.

Any increases in accordance with the above should be no longer than a period of four years.

A copy of the Regulations can be accessed using the link:

<http://www.legislation.gov.uk/uksi/2003/1021/made/data.pdf>

- 3.2 The Panel agreed that the annual adjustments continue for a four-year period up to and including the 2026/27 municipal year.

#### **4. Special Responsibility Allowances for Chairs of Committees**

- 4.1 The views of the Panel were sought on the Special Responsibility Allowances (SRA's) for Chairs of Committees.
- 4.2 Currently, the Chair of the Licensing and Regulatory Committee receives an SRA of Basic Allowance x 1 whilst the Chairs of the four Overview and Scrutiny Committees and the Chair of the Audit and Governance Committee each receive an SRA of Basic Allowance x 0.5.
- 4.3 It should be noted that Councillor Veidman, Cabinet Member – Planning and Building Control is also the Chair of the Planning Committee. In accordance with the Scheme of Members' Allowances only one Special Responsibility Allowance is paid per Member and therefore no allowance is claimed for the responsibility of Chairing the Planning Committee.
- 4.4 Consideration was given whether the current scheme should be continued or whether a revised allocation of resources should be implemented. The Panel gave consideration to dividing the sum of SRA's paid to the six Committee Chairs equally and therefore maintaining a cost neutral SRA figure.
- 4.5 The Panel agreed that SRA's paid to Chairs of committees be continued in their current form as that referred to in paragraph 4.2.

#### **5. Party Group Leaders**

- 5.1 Party Group Leaders receive an SRA as this is specifically referred to in the “Guidance on Members' Allowances for Local Authorities in England” published by the Department for Communities and Local Government. The guidance stipulates that:

“16. Where one political group is in control, and where an Authority has decided to pay special responsibility allowances, the Authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group”.

- 5.2 When the Scheme was last reviewed for the 2019/20 Municipal Year, it was agreed that a banding structure be introduced regarding the SRA's paid to opposition party group leaders. The banding structure is that any group leader with 10 or more Members receive the full allowance (at the rate of 0.5 of the Basic Allowance) and any group with less than 10 Members receive one tenth of that allowance for each Member in the group.

It is considered that this banding structure works well because the SRA's paid to opposition party group leaders can be easily adjusted following elections to reflect any changes in group membership.

- 5.3 The Panel agreed that the calculation of the payment of Special Responsibility Allowances to Party Group Leaders be continued in their current form.

## **6. Renunciation**

- 6.1 A Councillor may, by giving notice in writing to the Executive Director of Corporate Resources and Customer Services, elect to forgo any part of their entitlement to an allowance under the Scheme.
- 6.2 For the purpose of this report it has been assumed that all allowances will be claimed.

## **7. Mayoral Allowance**

- 7.1 The allowance paid to the Mayor does not fall within the Regulations for Members' Allowances. However, for ease of administration, it has been linked to the Scheme of Members Allowances. The allowance allocated to the Mayor for 2022/23 was £15,574.14. An uplift in the Mayoral allowance of 6.01% for 2023/24 results in an increase of £936 to £16510.14.

## **8. Conclusion**

- 8.1 Council is requested to give consideration to the recommendations of the Panel.
- 8.2 The report and appendices considered by the Panel at its meeting held on 30 June 2023 can be accessed using the link:

<https://modgov.sefton.gov.uk/ieListDocuments.aspx?CId=206&MId=11273&Ver=4>