

INDEPENDENT REMUNERATION PANEL

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE
ON FRIDAY 30 JUNE 2023**

PRESENT: Mrs. S. Lowe (in the Chair)
Mr. E. Davies
Mr. T. Hussey
Mrs. I. Macdonald-Davies
Ms. S. Murphy

1. ELECTION OF CHAIR

RESOLVED:

That Mrs. Susan Lowe be appointed Chair of the Independent Remuneration Panel for the 2023/24 Municipal Year.

2. APOLOGIES FOR ABSENCE

An apology for absence was received from Joanne Hadley.

3. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

4. MINUTES

RESOLVED:

That the Minutes of the meeting held on 30 May 2019 be confirmed as a correct record.

5. COUNCIL'S CURRENT FINANCIAL POSITION

The Panel received a presentation from Paul Reilly, Service Manager - Finance, on the Council's current financial position.

Mr. Reilly highlighted the following points:

Current context and Key Issues 2023/24

- Significant pressures were experienced in 2022/23 from Children's Social Care, energy, pay awards and general inflation so mitigating actions taken to meet this including use of General Balances and Earmarked Reserves, as well as recruitment freeze, cessation of non-essential expenditure, etc.
- The Council set a robust revenue budget for 2023/2024 in early March 2023.

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- Substantial Investment in Children's Services (£21m).
- Savings of £8.6m need to be delivered during 2023/24 - £5.2m of these require business change.
- Percentage spend on social care has increased consistently in recent years so would now be considered a higher risk as per the Chartered Institute of Public Finance and Accountancy (CIPFA) resilience index.
- Reserves held by the Council are lower than neighbouring authorities/nearest neighbours as per Local Government (LGA)/CIPFA work and do not offer a solution to in-year pressure or increased demand - budget must be delivered with the funding in place.

Key Issues for 2024/25 to 2026/27

- 2024/25 represents last year of three-year spending review.
- The Council has an informed position on the funding it will receive for 2024/25 but not beyond.
- Critical that Council does not overspend this year as there are no one-off resources to fund pressure and this would therefore need right-sizing in 2024/25 if any utilised.
- Sefton is not in a unique position, but the financial environment is extremely challenging.
- Whilst the position for 2025/26 and 2026/27 is very uncertain the Council will have to start planning for delivering further savings.
- There is an estimated Budget shortfall of £10m p.a. for 2024/25 and 2025/26 per the budget report – Medium Term Financial Plan (MTFP) currently being worked on with update expected for September's Cabinet meeting.
- The Council aims to extend, develop and learn from previous Framework for Change programmes. New Programme now in place for 2023 to 2026 with a number of individual workstreams agreed. Will develop a range of budget savings proposals and options from this Programme.
- Financial sustainability will need to be at the heart of the next three-year budget.

RESOLVED:

That Mr. Reilly be thanked for his informative presentation.

6. MEMBERS' ALLOWANCE SCHEME 2023/24 TO 2026/27

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 2023/24 to 2026/27.

The report sought the views of the Panel on:

- (1) (a) whether an increase in Members' allowance should be

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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.

The following appendices were attached to the 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

Appendix 5 – Guidance Note for Councillors on the Scheme of Members’ Allowances

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

RESOLVED:

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

- (1) an increase in Members allowances, linked to indexation option (i), the Local Government Pay Settlement, referred to in paragraph 4, which has yet to be agreed, be implemented for 2023/24;
- (2) annual adjustments in accordance with the indexation option (i), the Local Government Pay Settlement, continue up to and including the 2026/27 municipal year;
- (3) the Special Responsibility Allowances paid to Chairs of committees, as referred to in paragraph 6 of the report, be continued
- (4) the payment of Special Responsibility Allowances to Party Group Leaders, as referred to in paragraph 7, of the report be continued.

