

CUMBERLAND COUNCIL

Meeting date: 14 April 2022

Report of: LGR Independent Remuneration Panel

Subject: Members' Allowances - IRP Recommendations

1.0 SUMMARY:

1.1 The Member Allowances Working Group were tasked with convening an LGR Independent Remuneration Panel (IRP) and facilitating the Panel in order to support and assist in their deliberations to propose recommendations for a Scheme of Member Allowances for the Cumberland Shadow Authority and the Westmorland and Furness Shadow Authority.

1.2 It was agreed that one scheme would be produced for both Cumberland and Westmorland and Furness Joint Committees for recommendation to, and separate adoption by, the two Shadow Authorities.

2.0 RECOMMENDATION:

2.1 It is recommended that the Cumberland Joint Committee:-

- 1. Note the attached report;**
- 2. Accept the recommendations of the Independent Remuneration Panel and the Scheme of Member Allowances which it has proposed (Appendix 1); and**
- 3. Recommend to the Cumberland Shadow Authority at its inaugural meeting that the proposed Scheme be adopted.**

3.0 BACKGROUND, INTRODUCTION AND CONSIDERATIONS:

3.1 The Cumbria (Structural Changes) Order 2022 provides that the Cumberland Council Shadow Authority must prepare and adopt a scheme for the payment of allowances to its Members. It also provides that the Local Authorities (Members' Allowances) (England) Regulations 2003 apply in relation to the Shadow Authority.

3.2 The 2003 Regulations provide that before an authority makes a scheme for Members' allowances it shall have regard to the recommendations made by an Independent Remuneration Panel.

3.3 An experienced Independent Remuneration Panel, representing all 7 councils and consisting of six members who had previously taken on the role at the existing borough and county councils, have held a scheduled series of meetings to consider a Member Allowance scheme for the new Cumberland Council.

- 3.4** To assist with their deliberations, the IRP were sent a briefing pack in advance of their first meeting, and were supplied with details of the existing District and County members' allowance schemes and also the schemes of four Unitary Councils who have in recent years also been through an LGR process. The Panel was facilitated by two Democratic Services officers from the LGR Legal/Dem Services, Member Allowances working group
- 3.5** From the discussions the IRP members held, they were confident their approach of one Member Allowance scheme was appropriate and a good starting position for both new Shadow Authorities of Cumberland and Westmorland and Furness. The IRP were also aware that the Shadow Authorities would (during Q3 of 2022) be appointing their own IRP to review the allowances for 2023-24 in readiness for the two new unitary councils at vesting day, April 2023.
- 3.6** Having considered both the information made available and having regard for the number of newly elected Members forming the Cumberland Shadow Authority, the IRP decided and agreed that North Northamptonshire Council was of a comparable size in terms of Member ratio to constituents and therefore their Member Allowance scheme was used as a guide.
- 3.7** The Member Allowance Scheme (appendix 1) proposed and recommended to the Cumberland Joint Committee will also be the scheme proposed to the Westmorland and Furness Joint Committee in line with the IRP agreed principal of one scheme being drawn up to be put forward to each Shadow Authorities. Although the two Shadow Authorities may vary in Member size, the duties, responsibilities and work to be undertaken by both is the same as prescribed within section 3 of the Cumbria Structural Changes Order 2022, Part 3, Shadow Authorities.
- 3.8** The Panel also considered the prospective work and duties of the Shadow Authority in the period to 31 March 2023, in particular the non-delivery of council services, the lack of case work and the limited number of committees and panels which would be formed which in turn will reduce the number of meetings held for Members to attend. The IRP was also cognisant that during the "Shadow" year the newly elected Members of the Authority would still have County and District Councillors to respond to ward and constituent matters arising from 05 May 2022 to 31 March 2023.
- 3.9** It further reasoned that during this time (5th May 2022 to 31st March 2023) the Members' Basic and Special Responsibility Allowances should be paid at 50% of that proposed for the Cumberland Council post vesting day at which point full responsibilities from the sovereign councils are transferred. It was noted that this was an approach adopted by North Northants Shadow Authority and the Panel agreed in this approach based on rationale outlined above in 3.7 and 3.8.
- 3.10** Members of the Joint Committee should note that it is very likely that the Shadow Authority for Cumberland will establish its own Independent Remuneration Panel to work on a bespoke allowances scheme for post vesting day.

4.0 OPTIONS, INCLUDING ALTERNATIVES (IF ANY)

- 4.1** Option 1 – The Committee could agree the Scheme of Members' Allowances and recommend approval by the Cumberland Shadow Authority.
- 4.2** Option 2 – The Committee could partially agree with aspects of the Member Allowances scheme and suggest amendments to other aspects for either changing / inclusion or recommendation to the Cumberland Shadow Authority alongside the IRP report.
- 4.3** Option 3 – The Committee could, having taken note of the IRP report, suggest an alternative scheme for the Cumberland Shadow Authority to consider.

5.0 IMPLICATIONS:

5.1 Financial and Procurement:

- 5.1.1** It is intended that allowances for newly elected Members of the Shadow Authority will be financed from the established LGR Implementation Reserve which is being centrally administered and controlled by Cumbria County Council.
- 5.1.2** Existing sovereign council Finance systems currently utilised for Member Allowances' payments will be utilised in the same way as a mechanism for Shadow Authority Member allowance payments in order to avoid incurring any unnecessary or additional processing costs, and to keep the process simplified.

5.2 Staffing:

- 5.2.1** Administration of the Members' Allowance Scheme will be supported by Democratic Service Officers from the District Councils within the Cumberland authority area.
- 5.2.2** It is agreed that each sovereign council, through their own Democratic Services as a point of contact, will be responsible for capturing and calculating the monthly allowance and permissible expenses of each Member elected by virtue of a seat allocated to the sovereign council: Allerdale BC 16 Members, Carlisle City 18, Copeland BC 12

5.3 Legal:

- 5.3.1** The Cumbria (Structural Changes) Order 2022 provides that the Cumberland Council Shadow Authority must prepare and adopt a scheme for the payment of allowances to its Members. It also provides that the Local Authorities (Members' Allowances) (England) Regulations 2003 apply in relation to the shadow authority.
- 5.3.2** The 2003 Regulations provide that before an authority makes a scheme for Members' allowances it shall have regard to the recommendations made by the IRP. The regulations provide that an IRP must consist of at least three

members, none of whom are a Member of the authority in respect of which it makes recommendations or are disqualified from becoming a Member of such authority.

5.4 Information Governance:

5.4.1 There are no direct information governance implications associated with this report.

6.0 HEALTH AND SUSTAINABILITY IMPACT:

6.1 The proposals have no health and sustainability impacts and so no assessment of the health and sustainability impact of the proposal has been carried out.

6.2 EQUALITY AND DIVERSITY IMPACT:

6.3 No equality and diversity impact assessment of the proposal has been carried out.

7.0 RISKS:

7.1 Failure to endorse the IRP report may not enable the Joint Committee to make recommendations to the Shadow Authority at its first meeting.

8.0 CONCLUSION:

8.1 The Independent Remuneration Panel have proposed a Scheme of Members' Allowances for the Cumberland Joint Committee to consider before it is presented at the second meeting of the Cumberland Shadow Authority.

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APPENDICES

Appendix 1 – Independent Remuneration Panel's Proposed Scheme of Members' Allowances.

**Shadow Authority for
Cumberland Council**

**Elected Members'
Allowances
Scheme**

2022/23

Shadow Authority for Cumberland Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003, hereby makes the following Scheme.

1. This Scheme may be cited as the Shadow Authority for Cumberland Council Members' Allowances Scheme and shall have effect for the period set out in ***Schedule 1 to this scheme, until amended or revoked.***
2. In this Scheme, 'Councillor' means a Member of the Shadow Authority of Cumberland Council who is a Councillor.
3. **Independent Remuneration Panel (IRP)**
 - The Shadow Authority for Cumberland Council is required by the Local Authorities (Members Allowances) (England) Regulations 2003 to establish and maintain an Independent Remuneration Panel (IRP), which will broadly have the functions of providing the Shadow Authority with advice on its scheme and the amounts to be paid.
 - The IRP will make recommendations about the level of basic allowance for all Councillors, a recommendation about the special responsibilities for which a special responsibility allowance should be paid and the levels of those allowances.
 - The IRP will make recommendations about childcare and dependent carer's allowance and the level of this allowance.
 - The IRP will make decisions regarding Pension arrangements for Elected Members.
 - The IRP will make recommendations regarding which aspects of a Members Remuneration i.e. Basic & Special Responsibility Allowances are subject to Pension contributions.
 - The IRP will make recommendations about the rates of travel & subsistence allowances which Members can claim when undertaking Official Shadow Authority business.
 - The IRP will make recommendations in respect of allowances to be paid to co-opted members of committees and the levels of those allowances.

Any decision of the Shadow Authority to amend, revoke or replace their scheme of allowances, and to make a new annual scheme must be taken having regard to the recommendations of the IRP. The function of agreeing and adopting a scheme is the function of the full Shadow Cumberland Authority.

The decision by the Shadow Authority to amend or revoke recommendations made by the IRP, does not extend to the issue of Pensions for Elected Members. The Council can only approve admission to the LGPS in respect of those Members explicitly recommended by the IRP.

4. **Basic Allowance**

Subject to paragraph 12, a Basic Allowance shall be paid to each Councillor ***at the annual rate specified in Schedule 1 to this Scheme.*** The allowance shall be paid in monthly instalments.

The IRP recommends a rate of 50% of the allowance be paid in the 'Shadow' period to 31 March 2023.

5. **Special Responsibility Allowances**

Subject to paragraph 12, a Special Responsibility Allowance shall be paid **at the annual rate specified in Schedule 1** to those Councillors who hold the special responsibilities in relation to the Shadow Cumberland Authority as are specified in that Schedule. The allowance shall be paid in monthly instalments.

No Councillor shall be entitled to be paid more than one Special Responsibility Allowance at any one time and in the event that a Councillor undertakes more than one Special Responsibility at a time, then the entitlement shall be to the Special Responsibility Allowance of that Councillor's choice.

SRA ceases to be payable as at the day immediately prior to the Annual Council meeting. Chair's re elected at the Annual Council meeting will receive SRA payable effective from that date.

Where a Chair is not elected at the Annual Council meeting and the committee does not sit until some time after the Annual Council meeting, SRA will not be payable to the outgoing Chair after the day before the Annual Council meeting and will only be payable from the date the committee sits and the Chair is elected or re elected.

6. **Broadband Provision / Miscellaneous expenses**

No separate provision shall be paid in respect of line rental, broadband, or other miscellaneous expenses associated with being a Councillor except as provided within this scheme. All such costs are to be met from the annual amount of Basic Allowance identified *in Schedule 1*.

7. **Dependant Carer's Allowances**

A Dependant Carer's Allowance shall be payable based upon a reimbursement of actual receipted costs of **up to the rate per hour specified in Schedule 1** to any Councillor who incurs expenditure in respect of the care of their children or dependent relatives, whilst undertaking the qualifying duties specified in **Schedule 1**.

8. **Subsistence Allowances**

Subsistence Expenses shall be reimbursed in accordance with **the scales detailed in Schedule 1**, in respect of the qualifying duties specified in that Schedule by reference to the period of absence from home or place of work as appropriate

9. **Travel Arrangements**

Councillors should travel by Public Transport where reasonably possible. Where Members travel by rail, they shall be entitled to travel at Standard Class rates, and tickets for the journey can be organised through the Council's officers.

Where a Councillor undertakes a journey by car then reimbursement shall not exceed **the mileage rates specified in Schedule 1**.

Travel by Air will only be authorised and paid on the conditions and rates set out **in Schedule 1**.

10. Travel Abroad

When travelling beyond the United Kingdom, the Councillor in consultation with the organising department and the Democratic Services Manager should ensure as far as practical that the arrangements are made for accommodation to be provided on a fully inclusive basis as a direct charge to the Shadow Authority. Where this is not practical, the Democratic Services Manager will determine an appropriate scale of allowance having regard to the nature of the event, the location, and the published scales relating to Senior Civil Servants undertaking duties abroad in the location concerned.

11. Part Year Entitlements

- (i) The provisions of this paragraph regulate the entitlement of a Councillor to a Basic or Special Responsibility Allowance, where, in the course of a year, this Scheme is amended, or a Councillor becomes or ceases to be a Councillor, or accepts or relinquishes a Special Responsibility in respect of which a Special Responsibility Allowance is payable.
- (ii) If an amendment to this Scheme changes the amount to which a Councillor is entitled by way of a Basic Allowance or a Special Responsibility Allowance, or if a Councillor accepts or relinquishes a Special Responsibility Allowance, then the entitlement to the allowance shall be in proportion to the number of days entitlement to each allowance relative to the number of days in that year.
- (iii) If an amendment to this Scheme changes the amount payable by way of a Conference, Dependant Carer's or Subsistence Allowance or to the rates of travel entitlement, the entitlement to such an allowance or payment shall be to the amount under the scheme as it has effect when the duty was carried out.
- (iv) Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a Basic or Special Responsibility Allowance shall be in proportion to the number of days of his term of office, relative to the number of days in that year.

12. Renunciation

A Councillor may by notice, in writing given to the Democratic Services Manager forego any part of his/her entitlement to an allowance under this Scheme.

13. Annual Review of Allowances

The Basic Allowance, Special Responsibility Allowance and Dependent Carer's Allowance shall be reviewed annually by an Independent Remuneration Panel and submitted for approval by Council.

Travel and Subsistence rates will also be reviewed annually by an Independent Remuneration Panel and submitted for approval by Council.

14. **Claims and Payments**

- (a) A claim for Dependant Carer's or Subsistence Allowance or reimbursement of travel expenses under this Scheme shall be made in writing within **two months** of the date of the meeting in respect of which the entitlement arises.
- (b) A claim for Dependant Carer's or Subsistence Allowance or to reimbursement of any travel expenses, shall be on the form provided by the Democratic Services Manager and shall include a statement by the Councillor making the claim that he or she is not entitled to receive remuneration, reimbursement or any allowance claimable from another body in respect of the matter to which the claim relates, otherwise than under this Scheme.
- (c) Where a payment of the amount specified in this Scheme in respect of a Basic Allowance or a Special Responsibility Allowance would result in a Councillor receiving more than the amount to which he or she is entitled, the payment shall be restricted to such an amount as will ensure that no more is paid than the amount to which he or she is entitled. In the event of a Councillor no longer holding a Special Responsibility, or ceasing to be a Councillor, the amount of any allowance that has been overpaid will be recovered.

15. **Elected Members' Pensions**

The Local Authorities (Members' Allowances) (England) Regulations 2003, allow the Council to provide Pension arrangements for any Elected members explicitly recommended by the IRP.

The IRP has recommended that no Members should be entitled to currently participate in the Pension Scheme.

The IRP recommends this matter be considered at the next annual review.

16. **Co Opted Members Allowances**

The Local Authorities (Members' Allowances) Regulations 2003, allow the Council to pay Co-opted members of committees an annual allowance in respect of their attendance at meetings.

The IRP recommends that no allowance be set for the period of the 'Shadow Authority' and that this matter be considered at the next annual review.

SCHEDULE 1

1. Basic and Special Responsibility Allowances (SRA)

The following are specified as the **Basic and Special Responsibility Allowances** which shall be payable at the **Annual** rates specified below **for the period commencing May 2022* until revoked or amended: -**

BASIC ALLOWANCE	£	Shadow Period
All Councillors	12,000.00	6,000.00
SPECIAL RESPONSIBILITY ALLOWANCES (SRA)		
Leader of the Council	21,000.00	10,500.00
Deputy Leader	11,229.00	5,614.50
Chair of Council	4,887.00	2,443.50
Executive Portfolio Holder	6,735.00	3,367.50
Chair of Overview and Scrutiny	1,000.00	500.00
Chair of Standards Committee	500.00	250.00
Chair of Personnel Committee	500.00	250.00
Group Leaders: - 2 nd biggest group - All other groups	4,500.00 1,128.00	2,250.00 564.00
(note: A group must be a minimum of five councillors)		
Co opted members	Nil	Nil

* The IRP recommends a rate of 50% of the allowance be paid in the 'Shadow' period.

Notes

- (i) No separate provision shall be paid in respect of line rental, broadband, telephone calls or other miscellaneous expenses associated with being a Councillor, except as provided within this scheme. All such costs are to be met from the annual amount of Basic Allowance identified above
- (ii) No Councillor shall receive more than one Special Responsibility Allowance.

2. Dependant Carer's Allowances

A carer's allowance of £9.50 per hour (alignment with the National Living Wage) and up to a maximum of £2,000 per annum will be paid for care of dependents whether children, elderly person's or people with disabilities, to those Members representing the Council on approved duties (see paragraph 5). The maximum period of the entitlement will be the duration of the approved duty and reasonable travelling time. The allowance will not be payable where the care is provided by a member of the claimant's own household or if a member already receives a carers' allowance.

3. Travel

Members should travel by Public Transport where reasonably possible.

Rail Travel – the amount of the ordinary Standard Class fare at the cheapest rate available for the journey wherever possible.

Taxi Cab - in cases of urgency or where no other form of public transport is reasonably available the amount of the actual fare and any reasonable gratuity paid - in any other cases the amount of the fare for travel by appropriate public transport.

Private Motor Vehicle – Travel allowances are payable to all members who necessarily incur expenditure in the performance of an approved duty. The mileage rates are the prevailing HM Revenue and Customs limits for tax allowance purposes. Currently these are as follows:

Cars and Vans:	First 10,000 miles: 45p per mile Over 10,000 miles: 25p per mile
Motorcycles:	First 10,000 miles: 24p per mile Over 10,000 miles: 24p per mile
Bicycles:	First 10,000 miles: 20p per mile Over 10,000 miles: 20 p per mile

Members who submit mileage claims for reimbursement must request and submit VAT receipts for the purchase of fuel to support their claim. This procedure is necessary to allow the Council to recover VAT from HM Revenue & Customs (HMRC).

Air - the rate for travel by air shall not exceed the rate applicable to travel by appropriate alternative means of transport together with an allowance equivalent to the amount of any saving in subsistence allowance consequent on travel by air. Where the saving in time is so substantial as to justify payment of the fare for travel by air, the amount paid shall not exceed:

- a) The ordinary fare or any available cheap fare for travel by regular air service, or
- b) Where no such service is available or in the case of urgency, the fare actually paid by the member

Other Costs - The rates detailed above may be increased by not more than the amount of any necessary expenditure incurred on tolls, ferries or parking fees including overnight garaging, however receipts must be submitted with claims.

4. **Subsistence**

Where expenditure on subsistence is necessarily incurred in the performance of an 'approved duty' out with the Shadow Authority area, an allowance not exceeding the following maximum rates may be claimed upon the production of receipts, as set out below:

- (a) Breakfast allowance (more than 4 hours away from normal place of residence before 11 a.m.) **£7.00**
- (b) Lunch allowance (more than 4 hours away from normal place of residence including the period between 12 noon and 2 p.m.) **£9.00**
- (c) Evening meal allowance (more than 4 hours away from the normal place of residence ending after 6 p.m.) **£15.00**
- (d) In the case of an **absence overnight** from the usual place of residence,
Accommodation should be pre-arranged through Democratic Services.
However, where a member **makes their own accommodation arrangements** reimbursement of hotel bills will be limited to the following maximum rates.

Non-London Hotel - **£130.00 plus VAT**

* London Hotels - **£150.00 plus VAT**

* For the purposes of this, London means the City of London and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and the City of Westminster.

5. **Conference Allowance**

There is no Conference Allowance payable.

6. **Submission of Claims**

Claims under this scheme for the payment of travel and subsistence and carers' allowances shall be submitted electronically on a monthly basis on a form prescribed for the purpose to the Monitoring Officer by the fourteenth day of the following month.

7. **Membership of Other Local Authorities**

Where a member is also a member of another local authority, that member may not receive allowances from more than one local authority in respect of the same duties.

8. **Qualifying Approved Duties**

(i) For payment of Travel and Subsistence and Dependent Carer's Allowance:

- Attendance at any meeting of the Council, Executive, Committee, Sub-Committee, Panel or Working Group to which the Member has been appointed in an official capacity.
- Attendance as the Council's appointed representative on any public body, charity, voluntary body or other organisation formed for a public purpose (and not for the benefit of the Member).
- Attendance by the Chair, Vice Chair or Executive Member for the purposes of a briefing prior to a meeting of any meeting of the Council, Executive, Committee, Sub-Committee, Panel or Working Group.