

**REPORT TO:** Council

**DATE:** 2 March 2022

**REPORTING OFFICER:** Independent Members' Allowance Panel

**SUBJECT:** Members' Allowance Scheme – Tri-annual Review

**WARDS:** Borough wide

### **1.0 PURPOSE OF REPORT**

To invite Council to consider the proposals of the Independent Members' Allowances Panel and to approve a Scheme of Allowances for Members with effect from April 2022.

### **2.0 RECOMMENDATION: That Council consider the**

- 1) recommendations of the Independent Members' Allowances Panel as set out in Paragraph 6 of this report; and**
- 2) having regard to the Panel's recommendations, determine the Members' Allowance Scheme to be effective from April 2022 for a 3 year period.**

### **3.0 SUPPORTING INFORMATION**

3.1 Under the Local Authority's (Members' Allowances) Regulations 2003 the Scheme of Members' Allowances, which was approved in March 2019, is due for review. It must be reviewed tri-annually.

3.2 As reported to Council at its last meeting, in consultation with the Leader, the Chief Executive invited three independent and respected private sector representatives to sit as an Independent Panel (the Panel) to review the Council's Scheme of Members' Allowances and to make recommendations to the Council with regard to the matters to be included in the scheme. The Panel members were identified as having private sector experience and also a strong understanding of the public sector, having worked closely with the public sector on numerous projects and partnerships. All three are independent of the Council.

The Panel consists of the following

Rachael Owen – Chief Executive, Halton Chamber

John Downes – MD, Langtree

#### **4.0 BACKGROUND**

- 4.1 The Panel were provided with, and appraised of, the Council's current scheme of allowances. This recognises the time and commitment of all Councillors as well as incidental costs incurred such as use of their vehicles, homes, internet and telephone for Council business.
- 4.2 Private use of mobile phones (etc.) is excluded and is met personally by Councillors.
- 4.3 All Councillors receive a Basic Allowance. Special Responsibility Allowances are paid in addition to Basic Allowances. Special Responsibility Allowances are paid to reflect the additional work involved in undertaking certain roles and taking on additional responsibilities within the Council's Constitution.
- 4.4 The current scheme also makes provision for payment of allowances in respect of the cost of child care or care for dependents incurred by Members in carrying out their duties.
- 4.5 Travel and Subsistence Allowances are payable for approved duties which are detailed in the current scheme on the production of relevant receipts. The current scheme permits co-optees reimbursement of travel and subsistence and childcare and dependent care allowance on the same basis as Members of the Council.
- 4.6 From 1 April 2014 Elected Members in England are unable to join the LGPS. Those Elected Members in England who were in the scheme on the 31 March 2014 can remain in the scheme until the end of their current term of office. Elected Members in England will not be able to rejoin the LGPS in any subsequent term of office in which they serve. The allowances of Elected Members of the Council currently admitted in to a Local Government Pension Scheme are treated as amounts in respects of which pensions are payable.
- 4.7 At the present time the allowances in the scheme are increased each year by the same percentage increase (or increases) as the NJC pay award for Local Government employees. Where different increases are awarded to different sections of the NJC workforce the percentage increase applicable at spinal column 29 applies. Increases apply on the same date as the pay award and are backdated where appropriate. Full details of the current scheme are attached as Appendix 1 to this report. It should be noted that the present allowances are still at the 2020 level, as the pay claim has not yet been settled. They will be backdated in due course.
- 4.8 To enable the Panel to consider the appropriateness of the existing

scheme, details of neighbouring authority schemes were collated and was made available to the Panel. This information is available on request.

- 4.9 The Panel invited the Leaders of the three political groups on the Council to share with them their thoughts on the current Members Allowance Scheme and any changes they would wish to see.
- 4.10 The Panel also invited all Members to share with them any thoughts they had on the current allowance scheme and any changes they would wish to see.
- 4.11 The Panel were advised by the Chief Executive, the Operational Director (Legal) and the Operational Director (Finance) on matters relating to the work of Elected Members, the law and other matters relating to Members' Allowances.

## **5.0 PANEL FINDINGS**

- 5.1 The Independent Panel met once and also corresponded on a number of occasions. The Panel received a briefing provided by the Chief Executive and considered the papers that were provided in advance of their meeting. The Panel commented that this information was both informative and comprehensive and has helped the Panel to provide an informed and considered view on the current Members' Allowance Scheme.
- 5.2 After a thorough review of the current scheme, consideration of the comparative data, reviewing the comments and representations received from Elected Members and a detailed discussion the Panel concluded as follows ;

The Panel noted the major financial pressures currently facing the Council.

- It was noted Members Allowances currently account for **less than 0.5%** of the Council Budget.
- The Panel were of the view the current scheme of Members Allowances offers the community of Halton **good value for money**, given the time commitment given by Elected Members to a variety of representative roles and the local advocacy undertaken by Councillors in Halton.
- The majority of the Allowances in Halton are generally about 90% on average of those in similar roles when compared with neighbouring authorities.
- It was noted Halton continues to be recognised as a high performing Council with Members at the heart of its activities.

Public satisfaction levels are also generally in the upper quartile and the Auditor has consistently reported a good “value for money” finding.

The conclusion of the Panel is that current scheme of Members Allowances is still, “fit for purpose” and does not require any major changes or amendments.

However, the Panel noted that some of the Allowances have fallen below 90% on average, of those in similar roles when compared with neighbouring authorities.

The Panel’s RECOMMENDATIONS are:-

- (1) That - the current scheme of Members Allowances is still, “fit for purpose” and does not require any major changes or amendments.
- (2) That - all Allowances should be not less than 90% on average of those in similar roles when compared with neighbouring authorities (namely, the 5 LCR LAs and the 3 Cheshire & Warrington LAs) - on 1<sup>st</sup> April each year.

5.3 If accepted by the Council this would see a small increase in some of the Allowances.

## **6.0 RECOMMENDATION**

**It is recommended THAT**

**6.1 the current Members’ Allowance Scheme is fit for purpose and should remain largely unaltered, subject to consideration of the Panel’s comments above that all Allowances as set out in the scheme should be not less than 90% on average of those in similar roles when compared with neighbouring authorities (namely the 5 Liverpool City Region authorities and the 3 Cheshire & Warrington authorities.**

## **7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Current Members Allowance Scheme.

Information on Members Allowance Schemes for neighbouring local authorities.

Comments from members.