

REPORT OF THE INDEPENDENT REMUNERATION PANEL

December 2021

Introduction by the Chair

I am pleased to present the report of the Independent Remuneration Panel for consideration by Council.

The Panel's remit is to look independently and objectively at the allowances paid to the elected members on Burnley Borough Council and to make recommendations on any amendments that we think are justified.

Back in 2019 we were pleased that Council accepted our recommendations for a three-year scheme of allowances indexed linked to the NJC staff pay awards. This has resulted in Burnley's members' allowance scheme keeping in line with that of neighbouring authorities rather than slipping behind as has happened in previous years. The Panel believes that the increases made over the last three years justifiably recognises the commitment and support those members provide to the Borough, its communities and residents.

This year we are recommending a further three-year scheme and again one which is linked to the NJC staff pay increases. We believe this is a sensible approach as it provides for allowances to increase at an appropriate rate and prevents the need for periodic 'catch-up' sums which are more difficult for members to agree to.

I and my colleagues on the Panel appreciate that setting members' allowances can be a challenging issue, especially in times of financial constraints. However we maintain that Councillors should be recompensed adequately for their efforts. We sincerely hope that Council members do not politicise what should be a non-political process of determining appropriate compensation.

In compiling this report the Panel would like to acknowledge the support of both officers and elected members whose input into the review process has been most helpful.

This report sets out our conclusions and recommendations on the Members' Allowance Scheme for the period 1st April 2022 to 31st March 2025 and we hope that you support them.

David Sparrow
Chair of the Independent Remuneration Panel

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Members of the Panel

Mr David Sparrow - Chair

Mr Graham Knott

Mrs Anne Slater

The Panel was assisted by the Democracy Officers Imelda Grady and Alison McEwan.

Members of the Panel are independent of the Council and its review and recommendations are taken on a completely impartial basis.

1. Role of the Independent Remuneration Panel (IRP)

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have regard to a report of an Independent Remuneration Panel prior to setting or making changes to its members allowance scheme.

Although the Council must consider the Panel's findings, it is a matter for the Council to decide the scheme of members' allowances and whether to implement any of the Panel's recommendations.

2. Terms of Reference

The terms of reference are to recommend to Council:

- The level of basic allowance payable to all members.
- Which members should receive a special responsibility allowance and at what level.
- The amount payable for Dependants' Carers' for children or dependants while they carry out approved duties under the regulations and at what level.
- The amount payable for Travelling and Subsistence Allowance when members carry out approved duties under the regulations and at what level.
- Whether there should be a payment of any co-optee allowance and at what level.
- Whether there should be provision for an annual adjustment of allowances by a specified index and for how long (but for no more than 4 years).

- The provision for an amendment to the scheme to apply from the beginning of the financial year
- The provision for allowances to be repaid following suspension or cessation of being a member or due to non-entitlement
- Whether the allowances should be pensionable.
- The provision for members to forego allowances

3. **Principles**

The Panel works to the following principles

- That the members allowance scheme should be fair, easy to understand and straightforward to administer
- That whilst some element of a councillor's time should be voluntary this should be balanced against the need to ensure councillors do not suffer financial loss and that potential candidates are not discouraged from standing for election
- That the level of basic allowance should adequately reflect and compensate members for their commitment and time spent on their duties at council meetings, representing the council on outside bodies and on carrying out work in their Wards and in the Borough.
- That the level of special responsibility allowance should reflect additional responsibilities over and above the generally accepted duties of a councillor and should be a multiplier of the basic allowance

4. **Methodology and evidence considered**

This year the Panel has met on four occasions to conduct its review, during which time the Panel considered

- The current members' allowance scheme 2019-2022
- Benchmarking allowances in neighbouring authorities
- The views of all councillors on the current scheme of allowances and any future options
- Information on the Council's decision-making structure and the responsibilities of councillors
- Information on the Council's budget position
- Comments received from a member of the public

5. Findings

- 1) The current allowance scheme has been in place since 2019 during which time allowances have increased incrementally each year to give a current level of basic allowance of £3668.17.
- 2) The Panel finds that whilst Burnley's basic allowance is in the lower quartile of other Lancashire peer authorities, it is in a much more stable position than in 2019.
- 3) The Panel is grateful to the members for sharing their views on the current Members Allowance Scheme and the Leader's views on the special responsibility allowance paid to his executive. The Panel was encouraged to hear that the three year scheme had been well received and a further three year scheme would be supported. We also found that whilst there was no dissatisfaction with the current level of allowances members did not want the Scheme to become stagnant as in previous years or become out of kilter with neighbouring authorities.
- 4) The Panel considered the allowances paid to the Executive members and the amendment that had been introduced by the Leader in October 2020 which was to appoint an additional Executive member on a cost-neutral basis. The proposal being for the Leader and Deputy Leader to take a reduced executive allowance and for the remaining three members to take a smaller reduction which would fund the sixth member. The incoming Leader in 2021 continued with this inherited approach.

The Panel was consulted on the size and cost neutral approach in 2020 and was supportive of this at that time. However going forward the Panel feels this financial split does not fit easily into a members allowance scheme and makes it more difficult to administer. It also feels that future Leader's will be burdened by this. In deliberations we feel that a more sensible approach would be to have a `pot` of money for the executive and that this is shared equally among the executive members, irrespective of its size. Member may recall that a similar shared `pot` was introduced in 2019 to remunerate the Group Leaders. By introducing an executive `pot` it allows the Leader to appoint an executive size of his choosing without impacting on the budget.

- 5) The Panel believes that a further three year scheme is preferred to a yearly scheme and that in order to keep allowances at an acceptable level the index link to NJC staff pay increases should be maintained. At the time of writing this report the index has not been confirmed for 2021 but the Panel feels it should be applied when announced and backdated and then for the scheme to continue to be index linked for the next three years.
- 6) The Panel notes that in the past there has been a reluctance for Councillors to award themselves a pay rise but believes an annual uplift linked to the NJC staff pay awards is fair and reasonable approach to take. It will provide an increase at an appropriate rate and prevent the need for periodic 'catch-up' sums which are more difficult to agree on. The Panel believes that not making these increases each year will only serve to place a burden on future administrations.
- 7) The Panel finds the levels of Special Responsibility Allowances to be broadly correct and that no changes to the multipliers are required.
- 8) The Panel finds that any changes to the dependent carers' allowance or travel and subsistence allowances be in line with the amounts set out below.

6. Conclusions and recommendations

The Panel has concluded that the current Scheme is fair, easy to understand and with the adjustment to the executive member allowances, easy to administer.

The Panel recommends that the level of basic allowance be linked to the National Joint Council (Administrative, Professional, Technical and Clerical) pay structure for the next three years. In order to prevent slippage incremental increases must be applied over the next three years. The Panel is aware that Council will have discretion whether to apply this but strongly advises that it does so.

The Panel recommends that the multipliers used to set the Special Responsibility Allowances remain the same but with an amendment to the executive member allowances. The Panel recommends that there should be a pot of money shared between executive members irrespective of its size. Therefore we believe that the Executive pot going forward should be based on 5

Executive member allowances going into a pot – this should then be shared equally between all members of the Executive reflecting the similar sizes of the portfolios.

The Panel recommends that there be no changes to the way the dependent carers' allowance, travel and subsistence allowances are administered.

The Panel recommends that no payments are made to co-optees.

The Panel recommends no changes be made to the payments made to the Independent Persons.

The Panel will meet in 2024 to consider the members allowance scheme for the 2025/26 financial year unless called upon by Council to review the allowances earlier.

Having considered detailed evidence and interviews throughout the course of the review, we recommend that the basic allowance and the special responsibility allowances should be as follows

THE INDEPENDENT REMUNERATION PANEL MEMBERS ALLOWANCE SCHEME 2022-25

1. **Basic Allowance** -The level of basic allowance paid to all members be linked to the National Joint Council (Administrative, Professional, Technical and Clerical) pay structure for three years from April 2022.
2. **Special Responsibility Allowances** -That there be no change to the definition of roles that attract special responsibility allowances and that the multipliers be as shown in brackets below
 - The Leader (basic allowance x 3.50)
 - The Deputy Leader (basic allowance x 1.00)

 - Executive portfolios (basic allowance x 1.25 x 5 and shared between the size of executive)
 - Chair of Scrutiny Committees (basic allowance x 1.25)
 - Chair of Development Control Committee (basic allowance x 0.80)
 - Chair of Licensing Committee (basic allowance x 0.50)
 - Chair of Audit and Standards Committee (basic allowance x 0.50)
 - Vice Chair of Scrutiny Committee (basic allowance x 0.40)
 - Vice Chair of Development Control Committee (basic allowance x 0.40)
 - Group Leaders (shared basic allowance x 1.00)

The following table shows the current levels of basic and special responsibility allowances for 2021/22 but will be subject to an uplift linked to the agreed percentage pay award, if any, in NJC staff pay structure. The Members Allowance Scheme for

2023/24 and 2024/25 will be subject the percentage increases in NJC staff pay structure.

| | 2022/23 (subject to the 2021 % increases linked to NJC staff pay structure) | Totals |
|--|--|------------------|
| Basic x 45 | 3668.17 | 165067.65 |
| Leader x 1 | 12838.61 | 12838.61 |
| Deputy Leader x 1 | 3668.17 | 3668.17 |
| Executive Members (x5) (4785.21) (shared pot) | 4785.21 | 23926.05 |
| Scrutiny Chair x 1 | 4785.21 | 4785.21 |
| Scrutiny Vice Chair x 1 | 1467.27 | 1467.27 |
| Audit & Standards Chair x 1 | 1834.09 | 1834.09 |
| Development Control Chair x 1 | 2934.54 | 2934.54 |
| Development Control Vice Chair x1 | 1467.27 | 1467.27 |
| Licensing Chair x 1 | 1834.09 | 1834.09 |
| Group Leaders (shared pot) | 3668.17 | 3668.17 |
| Independent Persons (Standards) x2 (not index linked) | 500.00 | 1000.00 |
| Total | | 224491.12 |

3. **Dependent Carers and Childcare Allowances** - That the dependent carers' allowance and childcare allowance be paid at the current rate of the adult minimum wage and be paid under the following criteria.

Limitations

Costs necessarily incurred for:

- A child or children under the age of 16
- An elderly relative requiring full-time care
- A relative with a physical disability requiring full-time care

A relative with learning disabilities requiring full-time care

Safeguards

The person for whom care has been arranged must live in the same household as the member

The care in respect of which the allowance is claimed must not be provided by a person living in the member’s household, or by another parent of a child in the household;

Disabled dependents are excluded where the member is already in receipt of a carer’s allowance;

The member must notify the Council of the identity of the carer in respect of whose costs the allowance is claimed and the cared for;

Child(ren) or dependent must be registered with the Council in advance of any claim being made .

4. Travel and subsistence allowance –

The following travel and subsistence allowances shall be paid for attendance at approved events.

Car allowance - This be the same rate as that paid to officers determined locally.

Motor cycle allowance - This be the same rates as that set by HMRC

Other travel allowances

That the payment of travelling allowances by taxi cab be provided for Disabled and Vulnerable Members not to exceed; a) in cases of urgency or where no public transport was reasonably available, the amount of the actual fare and any reasonable gratuity paid; and b) in any other case the amount of travel by appropriate public transport.

Subsistence allowance be the same as that paid to officers, currently this is

| Meal | Maximum Allowance | Criteria |
|--------------|--------------------------|-----------------------|
| Breakfast | £7.93 | before 8.00am |
| Lunch | £10.94 | between 12 noon – 2pm |
| Tea | £4.30 | after 6.30pm |
| Evening Meal | £13.53 | after 8.30pm |

If a member is away from their home on official Council business for a continuous

period of 24 hours or more, and as a result is required by the Council to stay in accommodation overnight, they will be reimbursed with the actual costs incurred.

5. **Co-optees Allowance** - That no additional co-optees allowances be paid
6. **Annual Adjustment of Allowances** - That there be an annual adjustment of allowances in line with the percentage increase in employee's pay under the National Joint Council (Administrative, Professional, Technical and Clerical) Pay Award
7. **Backdating** - That there be no backdating of allowances.
8. **Repayment/suspension of allowances** - That there be repayment of allowances should a councillor be suspended, cease to be a councillor due to a relevant conviction or non-attendance, or resigns.
9. **Pensions** - That no member allowances be classified as pensionable under the Regulations.
10. **Foregoing allowances** – Any person may forego all or part of any allowances to which they are entitled. To do this they must give notice in writing to the proper officer of the Council.