

# County Council

17 May 2022

## Review of the Warwickshire County Council Members' Allowances Scheme - Report of the Independent Panel

### Recommendation

That the County Council considers the report and recommendations of the Independent Panel and approves the Member Allowances Scheme at Appendix 2 for the period May 2022 to May 2026.

### 1. Executive Summary

1.1. The Local Government Act 2000 (the 2000 Act) and the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations), require local authorities to review their allowances schemes and to appoint independent remuneration panels to consider and make recommendations on changes to member allowances schemes. The Government's "Guidance on Consolidated Regulations on Local Authority Allowances" outlines the main statutory provisions and gives non-statutory guidance. A summary is given below.

- Basic Allowance: each local authority *must* make provision for a basic flat rate, allowance payable to all members. The allowance must be the same for each councillor and can be paid as a lump sum or in instalments.
- Special Responsibility Allowances (SRAs) – each authority *may* make provision for the payment of special responsibility allowances for those councillors who have significant responsibilities.
- Co-optees' allowance – each authority *may* make provision for the payment of an allowance to co-optees for attending meetings, conferences and seminars.
- Dependants' carers' allowances – local authorities *may* make provision for the payment of an allowance to those councillors who incur expenditure for the care of children or dependants whilst undertaking approved duties.
- Travel and subsistence – each authority *may* determine the levels of travel and subsistence allowances and the duties to which they should apply.

- Indexation – each authority *may* determine that allowances should be increased in accordance with a specified index and can identify the index and set the number of years to which it should apply (but not for more than 4 years). (*WCC has linked allowances to the National Joint Council (NJC) % annual pay award for local government employees*).
- Backdating – each authority may determine that, where amendments are made to an allowances scheme, the allowances as amended may be backdated.

1.2. Following the elections in 2021, the Council appointed an Independent Remuneration Panel (the Independent Panel) to consider the Member Allowances Scheme and to provide their recommendations for any changes to that Scheme. The Council is required by the Regulations to publish the recommendations of the Independent Panel which can be found at Appendix 1. The Council is required to formulate its Member Allowance Scheme taking into account the recommendations of the Independent Panel but may choose not to follow them, or to adopt only some of the recommendations.

1.3. Having considered the findings and recommendations of the Independent Panel, and taking into account the financial challenges facing the Council and the impact of national and global events on the residents of Warwickshire, the following allowances are proposed for the four municipal years commencing May 2022 and ending May 2026 (as set out in Appendix 2)

1.3.1. That the following allowances are not increased in line with the recommendations of the Independent Panel but are instead increased in line with any NJC pay award for 22/23 and subsequent years, in accordance with our existing policy.

- Basic Allowance
- Special Responsibility Allowances paid to
  - Leader of the Council
  - Deputy Leader of the Council
  - Portfolio Holders
  - Chair of Council
  - Vice Chair of Council
  - Overview and Scrutiny Committee Chair
  - Overview and Scrutiny Committee Vice Chairs
  - Regulatory Committee Chair
  - Regulatory Committee Vice-chair
  - Audit and Standards Committee Chair
  - Pension Fund Investment Sub-Committee Chair
  - Chair of Warwickshire Police and Crime Panel (when the Chair is a nominated County Councillor representative on the Panel)
  - Adoption Panel and Fostering Panel Members

- 1.3.2. That the co-optee allowances are not increased in line with the recommendations of the Independent Panel, but are instead increased in line with any NJC pay award for 22/23 and subsequent years, in accordance with our existing policy.
- 1.3.3. That mileage and fuel rates for members align with the HMRC approved mileage and fuel rates from time to time in force (which is consistent with the approach we have taken in relation to employee mileage and fuel rates).
- 1.3.4. That the lunchtime meal allowance remains at £6.50 in line with the recommendations of the Independent Panel.
- 1.3.5. That the evening meal allowance be increased from £8 to £10 in line with the recommendations of the Independent Panel.
- 1.3.6. That the cost of accommodation be increased from sums not exceeding £80.00 outside of London and £100.00 in London to sums not exceeding £85.00 outside of London and £110.00 in London in line with the recommendations of the Independent Panel.. These rates should only be exceeded if there are exceptional circumstances when members should consult the Delivery Lead Governance Services for approval or they may be required to pay any excess above the rates.
- 1.3.7. That claimable allowances for Dependant Carers be increased as follows in line with the recommendations of the Independent Panel:

<b>Dependant</b>	<b>Increase from Rate per hour</b>	<b>To Rate per hour</b>
A child below school age or a child under 14 years of age outside school hours	£5.50	£6.00
An elderly, sick or disabled dependant requiring constant care	£18.00	£19.60

- 1.3.8 That the approach to allowances for Opposition Group Leaders and Deputy Group Leaders, which would have seen a single capped allocation of £15,500 in total awarded proportionately to Opposition Group Leaders (with no award to Deputies) is not amended in line with the recommendations of the Independent Panel. Instead, and in the interests of recognising the important role and the workload of all Group Leaders and Deputies, this report proposes that the current allowance levels are retained but that the definition of Opposition Group be amended to mean a Group comprising at least three councillors. This removes the 10% membership threshold and recognises the point made by the Independent Panel that there is 'no less of a commitment from the Group Leaders with less than 10% of the overall number of members to that of a Leader of a Group with more than 10%'.

- 1.4. Any allowance within the current Allowances Scheme that is not specifically mentioned above shall remain at the rate payable in April 2022 and be subject to adjustment in line with any NJC pay awards made during the period of the Scheme.
- 1.5. In particular there shall be no changes to the current group spokespersons allocations which shall remain as currently set at £14,000 for the Conservative Group and £1,000 per number in the Group otherwise. However, the definition of Opposition Group as set out at paragraph 1.3.8 will equally apply to these allocations. Whilst the Council notes the recommendation of the Panel in this regard the sums concerned are considered by Group Leaders to be valuable in enabling support and recognising the contribution of Group members (particularly within Opposition Groups) to areas such as Overview and Scrutiny.
- 1.6. The Council has noted the recommendation of the Independent Panel to increase all allowances as set out in its report. However, it is felt that such increases at the current time and given the pressures on public finances generally, would be inappropriate. The Council has therefore preferred to maintain its position of any upwards adjustments mirroring the NJC pay award for the majority of allowances with small adjustments in relation to expenses and dependant allowances to acknowledge the cost of such provision having increased and providing support to members with caring responsibilities. Such an approach supports the Council's budget and its Medium Term Financial Strategy (MTFS).
- 1.7. The period of the Members' Allowances Scheme will enable the new administration to appoint its own panel following elections in May 2025 without undue time pressures.

## **2. Financial Implications**

- 2.1. The changes to the Members' Allowances Scheme proposed can be accommodated within the approved budget for 2022/23. Provision will be made across the following years for the approved proposals as part of the annual budget cycle and MTFS work which are not anticipated to result in any additional budget pressures.

## **3. Environmental Implications**

- 3.1. None

## **4. Supporting Information**

- 4.1. On 25 May 2021, the Council agreed to the establishment of the Independent Panel to review the Council's current Members' Allowances Scheme.

4.2. The report of the Independent Panel is attached (Appendix 1). The proposed scheme is set out at Appendix 2. The current scheme (to be replaced by the proposed scheme) is contained within the Council’s Constitution although the figures have been subject to the NJC increases since publication – a list of current allowances is included at Appendix 3

4.3. The Council has a duty to consider the report of the Panel before any changes can be made to the Members’ Allowances Scheme, but the Council is not bound to adopt the recommendations of the Panel.

## 5. Timescales associated with the decision and next steps

5.1. Any changes to the scheme of allowances will take effect from the Annual General Meeting on 17 May 2022 and will be processed via the Council’s Payroll service as quickly as possible thereafter.

### Appendices

1. Appendix 1 – Report of the Independent Remuneration Panel
2. Appendix 2 –Members’ Allowance Scheme 2022-2026
3. Appendix 3 – Current Members’ Allowances Amount

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The report was circulated to the following members prior to publication:

Local Member(s): not applicable, county wide paper

Other members: Cllr Izzi Seccombe, Cllr Jerry Roodhouse, Cllr John Holland, Cllr Jonathan Chilvers