A Review of Members' Allowances

For

Lichfield District Council

A Report by the Independent Remuneration Panel

Jason Challoner Bernice Eisner Dr Declan Hall (Chair)

June 2022

EXECUTIVE SUMMARY

Lichfield IRP Executive Summary	BA & SRAs 2022/23 (recommended)					
REMUNERATED POSTS	Basic Allowance	Nos. SRA per Paid Post		SRA Ratio to Leader	Total per Member	Total per Category
All Members	£4,734	47	-			£222,498
Leader of Council	£4,734	1	£13,729	100%	£18,463	£13,729
Deputy Leader & Cabinet Member	£4,734	1	£8,237	60%	£12,971	£8,237
Other Cabinet Members	£4,734	5	£7,551	55%	£12,285	£37,755
Chairman Planning Committee	£4,734	1	£6,865	50%	£11,599	£6,865
Vice Chairman Planning Committee	£4,734	1	£1,030	15% of Chair	£5,764	£1,030
Chairman Regulatory & Licensing Committee	£4,734	1	£2,746	20%	£7,480	£2,746
Vice Chairman Regulatory & Licensing Committee	£4,734	1	£412	15% of Chair	£5,146	£412
Chairman Overview & Scrutiny Committee	£4,734	1	£4,576	33%	£9,310	£4,576
Vice Chairman Overview & Scrutiny Committee	£4,734	1	£686	15% of Chair	£5,420	£686
Chairmen Member (Scrutiny) Task Groups	£4,734	£52 per meeting - as numbers of meetings are unknown the tot cost cannot be calculated in advance				
Chairman Audit & Member Standards Committee	£4,734	1	£3,432	25%	£8,166	£3,432
Vice Chairman Audit & Member Standards Committee	£4,734	1	£515	15% of Chair	£5,249	£515
Chairman Council	£4,734	1	£2,885	NA	£7,619	£2,885
Vice Chairman Council	£4,734	1	£433	15% of Chair	£5,167	£433
Chairman Employment Committee	£4,734	1	£2,059	15%	£6,793	£2,059
Vice Chairman Employment Committee	£4,734	1	£309	15% of Chair	£5,043	£309
Principal Opposition Group Leader	£4,734	1	£3,432	25%	£8,166	£3,432
Principal Opposition Group Deputy Leader	£4,734	1	£515	15% of Group Leader	£5,249	£515
SUB TOTALS						
BA SUB TOTAL	£4,734	47				£222,498
SRAS SUB TOTAL		21				£89,616
TOTAL PAYABLE (BA + SRAs)						£312,114

The IRP also recommends that:

The Basic Allowance: Inclusive of ITC and other Support costs

The Basic Allowance continues to be deemed sufficient include all ITC and other support costs that Members may incur in carrying out their roles.

SRAs not recommended – Planning Committee Members

The ordinary Members of the Planning Committee are not paid an SRA

Maintaining the 1-SRA only rule

The Council maintains the 1-SRA only rule.

Co-optees' Allowances

The Co-optees' Allowance is set at £52 per meeting for 2022/23.

The provision for the Co-optees' Allowance is included in the published Members' Allowances Scheme.

The In-Council Subsistence Allowance

The IRP recommends that there is no right of Members to claim an In-Council Subsistence Allowance and that this provision is inserted in the allowances scheme.

Outwith the Council: Subsistence Allowances and Overnight Accommodation

In the interests of transparency that the provision for Members to claim an Overnight Accommodation Allowance is inserted into the Lichfield District Council Members' Allowances scheme and is claimable at the following maximum rates:

- London allowance for overnight accommodation £92
- All other for overnight accommodation £80

The IRP also recommends that where a Member is required to stay overnight on an approved duty then the expectation in the first instance is that relevant accommodation will be pre-booked through Civic Support and the Overnight Allowance is only claimable when pre-booking through Civic Support cannot be done in time. This provision should also be inserted into the Members' Allowances scheme.

Members attending an approved duty outwith the Council should be able to claim a Subsistence Allowance at a maximum of £25 over a 24-hour period. This provision should also be inserted into the current Members' Allowances scheme.

The Travel Allowances

The Council maintain the full range of HMRC mileages rates for the mileage allowance, to include both within and outwith the council, and these rates are inserted into the scheme as follows.

Kind of vehicle	HMRC AMAP Rate per mile			
Car or van	45p for the first 10,000 miles			
	25p after that			
Motor cycle	24p (all miles)			
Cycle	20p (all miles)			
Passenger Supplement	5p per passenger per mile			

The allowances scheme is clarified to include provision that when a Member is claiming mileage allowances when travelling in a hybrid/electric vehicle then HMRC mileage rates are applicable.

When travelling outwith the Council that standard class public transport is the expected mode of travel where feasible and the most inexpensive option and this provision should be inserted into the Members' Allowances scheme.

The Dependants' Carers' Allowance (DCA)

Consequently, the IRP recommends that the DCA is maintained for the two different categories of care at maximum hourly rates as follows:

• Childcare: capped at the national living wage (£9.50 per hour – April

2022)

Other care: capped at the hourly wage charged by Staffordshire

County Council Social Services for a Carer

The Civic Allowances for Council Chair and Vice Chair

The currently separately identifiable Civic Allowances are amalgamated which can then be claimed against by both the Council Chair and Vice Chair.

The Civic Allowances be increased to £2,500 for the Chair of the Council and £1,250 for the Council Vice Chair. In accordance with the recommendation that the Civic Allowances be amalgamated, this equates to a total of £3,750 per year to be claimed against by both the Council Chair and Vice Chair.

Furthermore, to provide clarity to the Civic Allowance that the Council specify how the Civic Allowance may be spent. In particular, it would useful if it was laid out what proportion of the Civic Allowance may be spent on personal items.

Indexing Allowances

The allowances are indexed annually (where applicable) up to the end of municipal year 2025/26, the maximum period permitted by legislation, without reference to the IRP as follows:

Basic Allowance, SRAs, Co-optees and the Civic Allowances:

• Updated annually in line with the annual percentage pay increase given to Lichfield District Council employees (and rounded to the nearest £ as

appropriate) as agreed for each year by the National Joint Council (NJC) for Local Government Staff.

Dependants' Carers' Allowance:

 The maximum hourly rates to be indexed to the government's national living wage (childcare) and Staffordshire County Council's chargeable hourly rate for a Home Care Assistance (care of other dependants).

Mileage Allowance:

 Members' mileage allowances rates indexed to the HMRC AMAP mileage rates.

Daily out of Council Subsistence and Overnight Allowances:

 Updated annually in line with the annual percentage pay increase given to Lichfield District Council employees (and rounded to the nearest £ as appropriate) as agreed for each year by the National Joint Council for Local Government Staff.

In the interests of clarity, the IRP further recommends that the provision for indexation and the specified indices be inserted into the Lichfield District Council Members' Allowances Scheme.

Implementation

The new scheme of allowances based on the recommendations contained in this report is adopted from date of the Council's meeting on 12th July 2022.

The exception to the recommended general implementation is the implementation of the indices for the Basic Allowance, SRAs, Civic Allowances, daily out of Council Subsistence and Overnight Accommodation Allowances. As most of these allowances have been either reset or newly recommended indexation for the municipal year 2022/23 is not appropriate. The implementation date for the indexation of these allowances should be from the start of the 2023/24 municipal year.

Independent Remuneration Panel:

A Review of Members' Allowances

For

The May 2022 Report

Introduction: The Regulatory Context

- 1. This report is a synopsis of the deliberations and recommendations made by the statutory Independent Remuneration Panel ('IRP' or 'Panel') appointed by the Lichfield District Council to advise the Council on its Members' Allowances Scheme.
- 2. The IRP was convened under *The Local Authorities (Members' Allowances)* (England) Regulations 2003 (SI 1021) (the 2003 Regulations). These regulations, arising out of the relevant provisions in the Local Government Act 2000, require all local authorities to maintain an independent remuneration panel to review and provide advice on the Council's Members Allowances. This is in the context whereby full Council retains powers of determination in setting Members' Allowances, including both levels and scope of remuneration and other allowances/reimbursements.
- 3. All Councils are required to convene their IRP and seek its advice before they make any changes or amendments to their members' allowances scheme and they must 'pay regard' to the IRPs recommendations before setting a new or amended members' allowances scheme.
- 4. As the Council has made some governance changes, the current scheme of allowances does not reflect the current roles and responsibilities carried out by all Members. As such, the trigger to reconvene the IRP has been the specific consideration of the impacts of the governance changes on Members' Allowances and as the scheme has not been reviewed since 2016, the IRP was asked to review the whole scheme to ensure it was still fit for purpose.
- 5. In particular, the IRP has been reconvened under the 2003 Regulations [19. (1)]. This regulation states that before an authority "makes or amends a scheme, that authority shall have regard to the recommendations made in relation to it by an independent remuneration panel."

6. It is under this requirement that the IRP has undertaken this review of Members' Allowances for Lichfield District Council.

Terms of Reference

- 7. In accordance with the Members' Allowances Regulations 2003 [paragraphs 19. (1)] Lichfield District Council has reconvened its statutory Independent Remuneration Panel (IRP) to review the Council Members' Allowances scheme. Specifically the IRP has been asked to make recommendations on the following:
 - i. The amount of Basic Allowance that should be payable to elected Members and the expenses it should include
 - ii. The categories of Members who should receive a SRA and as to the amount of such an allowance
 - iii. Those Co-optees who should receive a Co-optees' Állowance and as to the amount of such an allowance
 - iv. The scope and level of travel and subsistence allowances and the terms and conditions by which this may be paid
 - v. The scope and level of the Dependants' Carers' Allowance
 - vi. The application of an index to allowances payable and if so what the relevant indices should be
 - vii. The implementation date for the new Scheme of Members' allowances
 - viii. Consideration of the appropriateness and levels payable of the Civic Allowance
 - ix. Any other issues that are brought to the IRPs attention
- 8. In undertaking the review, the IRP is expected to take into account:
 - Allowances paid in the Lichfield District Council benchmarking group of councils;
 - The views of Members, both written and oral;
 - Any other consideration that the Council asks the IRP to take into account

The IRP

- 9. Lichfield District Council reconvened a new IRP to provide a fresh appraisal of its Members' Allowances Scheme and the following Members were appointed to its new IRP, namely:
 - Jason Challoner: President Lichfield & Tamworth Chamber of

Commerce and Chair South Staffordshire

Employment & Skills Board

Bernice Eisner: Treasurer Lichfield Civic Society

• Dr Declan Hall (Chair): Formerly an academic at the Institute of

Local Government, The University of Birmingham, now an Independent consultant specialising in Members' Allowances and support with extensive experience of reviews across the United

Kingdom

10. Logistical and practical support to the IRP was provided through Christine Lewis, Principal Governance Officer and Deputy Monitoring Officer at Lichfield District Council.

Process and Methodology - Evidence Reviewed by the IRP

- 11. The IRP met at the Council House, Lichfield, on the 27-28 April 2022, to consider the evidence, hear representations from Members and receive factual briefings on the Council from relevant Officers. All Members were invited to make written submissions to the IRP (of which two were received) and all Members who wished to meet with the Panel were accommodated as far as practically possible. The IRP also reviewed relevant written information, such as council and committee meetings schedules, benchmarking data, statutory guidance, etc. The IRP meetings were held in private session to enable it to meet with Members and Officers and consider the evidence in confidence. For a full range of who met with the IRP and the evidence considered by the IRP see the following:
 - Appendix 1: Members who met with the IRP and who made written submissions, plus Officers who provided factual briefings to the IRP
 - Appendix 2: List of range of written evidence considered by IRP
 Appendix 3: BM1-3 comparative summary of benchmarking: Allowances paid in comparator councils

Benchmarking: CIPFA 'Near Neighbours' + Staffordshire/adjacent Districts

- 12. In accordance with the factors the IRP was asked to take into account in making recommendations regarding its terms of reference, the IRP has benchmarked the scope and levels of allowances paid to Members of Lichfield District Council. The benchmarking group consists of 18 district councils made up of a combination of two sub groups of councils:
 - CIPFA 10 Nearest Neighbours:¹

¹ Number 9 in the CIPFA 10 Nearest Neighbours group, East Northamptonshire no longer exists so the IRP simply dropped down to number 11 in the 2014 model, which is Maldon District Council to complete the 10th nearest neighbour list

• Those councils as determined by the Chartered Institute of Public Finance & Accountancy (CIPFA) to be Lichfield's 10 'nearest neighbours' based on a standard set of socio-demographic criteria (2014 model).

Staffordshire/adjacent councils:

- The seven other district councils in Staffordshire plus three adjacent councils not within Staffordshire.²
- 13. While it can be difficult to make systematic comparisons consistently, the IRP has undertaken benchmarking, where relevant figures can be obtained, against these two sub groups of councils to provide a more balanced perspective.³
- 14. The IRP has not been driven by Allowances paid across the comparator authorities but it was concerned to understand how the issues under review have been addressed elsewhere, i.e. what is the most common and good practice. Moreover, it was important to place the Lichfield District Council Allowances Scheme in a comparative perspective. Leaving aside the fact that this only gives relative values and is less of a guide to the real worth of a councillor's work it informs the IRP and elected Members on the wider picture, underlining some of the anomalies in the Lichfield District Council model of remuneration. It also provides one reference point for the IRP to consider in its deliberations.

Key Messages – Reducing barriers to public service

- 15. A theme emerging from the representations made to the IRP was that the current allowances payable do not fully compensate the work and responsibilities undertaken by Members and are insufficient, particularly of leading Members, to live on. Members' allowances were never meant to be at a level to provide a 'living', at least at district councils. The policy intention behind the requirement to establish a Members' Allowances scheme for all English councils is to enable and facilitate Members' roles and responsibilities as far as practically possible while taking into account such factors as the nature of the council, local economic conditions and good practice. Thus, the IRP has sought to recommend a scheme that seeks to minimise financial barriers to public service to enable a wide range of people to become a Councillor without incurring undue personal financial cost.
- 16. Members' allowances schemes are not intended to 'attract' candidates for Council, paid at full 'market rates.' To do so they would be at a level so as not to be publically acceptable, nor in accordance with the terms of reference. Moreover, the IRP (and a number of interviewees) were not at ease with the concept of using allowances to 'attract' candidates for council if elected Members were standing for and remaining on the Council due to financial appeal it would run contrary to the public service ethos. The desire to serve local communities and residents is the prime motive for being a Councillor. For Members, remuneration should not be seen as a driver in citizens putting themselves forward to stand for council, as it negates the public service

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² The benchmarking group consists of 18 as opposed to 20 councils as Stafford and South Staffordshire fall within both of Lichfield's benchmarking sub groups, the CIPFA 10 nearest neighbours and the 10 Staffordshire/adjacent district councils

³ See Appendix 3 for more details.

principle that is inherent in a Member's role. Conversely, neither should remuneration be at a level that excludes many underrepresented groups from standing for Council, as it would impose an undue financial burden. If the IRP were to recommend 'market rates' it would cut against the principle of value for money (see below) and be at such a level it would be hard to justify in a comparative context.

17. As such, the IRP is keen to ensure that allowances and support enable Members and potential Members to undertake their duties without personally having to subsidise their public service.

Restoring equity

18. A result of freezing allowances since 2019 means there has been a loss of value in the main allowances paid under the Lichfield Members' Allowances Scheme. It should be seen as fair in that it provides a degree of recompense for workload and responsibility. Allowances should also be equitable when compared to peers. The current scheme fails on both points.

Allowances once more on the low side

- 19. In the representation received by the IRP, the majority view was that allowances had once more become on the low side. While this was the clear majority view, a small proportion of those expressing that view stated that while that may be their view now was not the current time to increase allowances.
- 20. The other evidence considered by the IRP, such as recalibration of allowances and the comparative picture also generally supports the view that that current Basic Allowance and nearly all SRAs in Lichfield District Council are on the low side. In addition, there was some anecdotal evidence that the allowances, and the Basic Allowance in particular, were so low that they were a barrier to becoming an elected Member, especially when it came to seeking younger candidates to stand for Council.
- 21. The IRP recognises that it is never a good time to recommend any increases in Members' Allowances and now even more so. However, the IRP is recommending increases in the Basic Allowance and most SRAs for the following reasons:
 - The general view in representation received was that allowances were now on the low side
 - Benchmarking shows that indeed the Lichfield Basic Allowance and most SRAs are lagging behind peers
 - Recalibration of allowances by following the methodologies set out in the 2006 Statutory Guidance shows they are low
 - They have been frozen since 2019
 - No index is being recommended for 2022/23
 - There have been increased demands on Members since 2016
 - Inflation (RPI) is forecast to hit almost 10 per cent for 2022, with little sign of easing in the short term

- 22. The IRP notes that while the case to increase allowances is on balance persuasive it has not been all one way. The IRP has marginally rebalanced the recommended increases by also recommending some decreases. In addition, the changes in overview and scrutiny governance arrangements also mean there is some savings arising.
- 23. The IRP could have actually recommended bigger increases than are set out in this report, especially when considering the comparative picture. As such, the recommendations contained in this report are not necessarily the definitive view of the IRP on allowances for Members of Lichfield District Council. The recommendations reflect a balance between the weight of evidence and the need for the recommendations to be seen to be sensible in the current economic conditions. It is hoped that the recommendations will receive a broad consensus as possible while recognising not all demands have been met. Where the IRP has not taken on board certain representations, it has shown the reasons why.

Recommendations - the Basic Allowance

Recalibrating the Basic Allowance in line with the 2006 Statutory Guidance

24. The IRP is required to pay regard to the 2006 Statutory Guidance arriving at recommended levels of allowances. In considering the Basic Allowance the Guidance (paragraph 67) states:

Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, councillors ought to be remunerated.

25. The Statutory Guidance (paragraphs 68-69) expands on the above statement by breaking it down to three variables - time, public service and worth of remunerated time.

Time to fulfil duties for which the Basic Allowance is paid

- 26. The Basic Allowance is primarily a time-based payment (see 2006 Statutory Guidance paragraph 10). It is paid to compensate for workload, plus an element of minor expenses. Obviously, Members work in different ways and have varying commitments and the time spent on council duties varies. Yet, the Basic Allowance is a flat rate allowance that must be paid equally to all Members. As such, the time assessment is typically the average time required to carry out all those duties for which the Basic Allowance is paid
- 27. These duties included preparing for and attending meetings of the Council and its committees/panels (formal and informal), addressing constituents' concerns, representing and engaging with local communities, external appointments and other associated work including telephone calls, emails and meetings with Officers.

- 28. The current Basic Allowance is based on a time assessment of 12 hours per week. This is the time assessment of what is required to be an effective frontline Member, which in 2016 was deemed 1.6 days per week or 83.2 days per year based on a 7.5-hour working day.
- 29. The most up to date information available on what is a reasonable time expectation for which the Basic Allowance is paid comes from the 2018 Councillors Census. In data supplied to the Chair of the IRP from the Local Government Association, it shows that Councillors in district councils who held "no positions" of responsibility put in on average 14.3 hours per week "on council business"⁴.
- 30. The IRP tested out the average time commitment required with the interviewees and the feedback ranged from 8 to 20 hours per week, with a weighting towards 12-15 hours per week. Moreover, it also heard that since 2016 more was expected from Members as the Council has become more Member-driven since 2016 and there was a wider community engagement by all Members.
- 31. For the purposes of recalibrating the Basic Allowance in line with the 2006 Statutory Guidance, the IRP has compromised and adopted 13.2 hours per week, or 1.76 days per week on a 7.5-hour working day. This equates to 91.52 days per year as the expected time input from Members for their Basic Allowance.
- 32. The IRP recognises that some Members who hold no positions may well put in more than 1.76 days per week and indeed more than the reported average as set out in the LGA Councillors Census (2018). However, the IRP has opted for 13.2 hours on the basis that the LGA average includes those councillors who undertake the role more or less full time as they have the time to supply. As such, the figure of 13.2 hours per week is a more realistic expectation and reflects the feedback from interviewees. It is also a compromise between the current expectation and the LGA Councillor Census average by being the midpoint between 12 hours (current assessment) and LGA average (14.3 hours).

The Public Service Discount (PSD)

- 33. The Public Service Discount (PSD) recognises the principle that not all of what a Councillor does should be remunerated there is an element of public service. Typically, this voluntary principle is realised by discounting an element of the expected time inputs associated with the Basic Allowance. The normal range for this public service discount is between 35% 40%, largely on the basis that this is broadly in line with the proportion of time frontline Members spend dealing with constituents, surgeries and general enquiries from citizens. However, the historical PSD that has been applied in Lichfield is 50%. The IRP received no evidence to revise the historical figure.
- 34. Thus, of the expected time input of 91.52 days per year, 50% of that time, or 45.76 days per year are deemed public service and not paid, leaving 45.76 remunerated days per year.

⁴ Information based on National Census of Local Authority Councillors 2018 (LGA), breakdown of weekly hours by councillors by number of positions held and type of council, in email from S. Richards, LGA 21 October 2019.

The rate for remuneration

- 35. The rate for remuneration used in 2016 to arrive at a Basic Allowance was based on the 2015 median gross daily salary for all full time employee jobs within the area of the Lichfield District Council was £98.34 per day⁵. To base the rate of remuneration on the median earnings of Members' constituents is robust and is a rate that is readily defensible; the Basic Allowance based on the median earnings of those Members represent cannot be attacked for being excessive. This accusation had some attraction in the past when the rate of remuneration used to be based on a LGA daily advisory rate that was derived from male non-manual mean daily earnings.
- 36. The IRP received no evidence to alter the current rate of remuneration accept to update it for its latest value, which in 2021 was £103.46 per day. This daily rate of remuneration is derived from the Lichfield District Council median gross salary for all full time employee jobs within the council area (ASHE Table 7.1a 2021 work geography), which is £517.30 per week.
- 37. If the IRP updated the variables to arrive at a recalibrated Basic Allowance as set out in the 2006 Statutory Guidance to take into account the most recent data available it gives the following values:

• Time required to fulfil duties: 91.52 days per year (1.76 days per week)

Public Service Discount: 50% (45.76 days)
 Rate for Remuneration: £103.46 per day

- 38. By following the methodology as set out in the 2006 Statutory Guidance with the updated variables it produces the following recalibrated Basic Allowance:
 - 91.52 annual days minus 50% PSD = 45.76 remunerated days multiplied by £103.46 per day = £4,734⁶.

Benchmarking the Basic Allowance

- 39. The current Basic Allowance is £4,298. Benchmarking shows that the mean Basic Allowance in the benchmarking group of councils is £5,187, with a median Basic Allowance of £5,115. Although the Lichfield District Council Basic Allowance is not the lowest amongst peers this does not take into account the fact that Lichfield Members have to pay for all their telecommunications and information technology costs out of their Basic Allowance, which in the main is not the case elsewhere.
- 40. Moreover, it is further noted that the Lichfield Basic Allowance is the third lowest out of a total comparative group of 19 Councils, including Lichfield. Furthermore the comparative council with the lowest Basic Allowance (Staffordshire

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⁵ See ASHE, 2015, Table 7.1a - Weekly pay - gross - For full time employee jobs in Lichfield District Council area, which is £491.70 and divided by 5 working days equals £98.34 per day. ONS advises that the median rather than the higher mean figure (£580 per week) is a better measure of the average due handful of very high earners which skews the statistical mean.

⁶ The factual figure produced is £4,743.33 which the IRP rounded down to the nearest £.

- Moorlands £2,902) has a different model of remuneration from Lichfield in that it pays more SRAs than in Lichfield.
- 41. A Basic Allowance that is lower than that paid to peers is on its own not necessarily a sufficient reason to recommend an increase to the Lichfield Basic Allowance but in the context whereby the recalibration of the Basic Allowance supports an increase then the case for revision becomes more compelling. It is noted that even if the IRP recommended the recalibrated Basic Allowance (£4,734) it would still be less than that paid to peers on average.

Applying a retrospective indexation

- 42. The allowances in Lichfield District Council have been frozen since 2019. The Council decided not to apply indexation for 2019/20 and from 2020/21, the authority to index allowances lapsed. Nonetheless, the IRP decided to apply the relevant indexation (same percentage salary increase as applied to local government staff, as agreed nationally and the Lichfield index mechanism from 2016-2019) for each year since 2019/20 up to 2022/23 to assess what the impact would be. The IRP has applied a projected index for 2022/23, as it is not recommending any indexation for that year due to the allowances being reset. The IRP has taken what appears to be a reasonable percentage salary increase for local government staff for 2022/23 taking into account that inflation is estimated to reach up to 10 per cent for this year.
- 43. The retrospective and forward application of indexation is set out as follows:

Lichfield BA	Local Government Staff	Lichfield BA with index				
	percentage salary increase	applied				
£4,298	2% (2019/20)	£4,384 (2019/20)				
£4,384	2.75% (2020/21)	£4,505 (2020/21)				
£4,505	1.75% (2021/22)	£4,583(2021/22)				
£4,583	2.75% (2022/23 – assumed)	£4,709 (2002/23)				
£4,709						

- 44. The IRP notes that this exercise in applying a retrospective and forward (2022/23) indexation to the Basic Allowance arrives at a figure (£4,709) that is so close to the recalibrated Basic Allowance of £4,734 that makes no difference. Moreover, it reinforces the appropriateness of the recalibrated Basic Allowance.
- 45. The IRP is content that the recalibrated Basic Allowance is robust and justifiable once the following has been taken into account:
 - It has been arrived at by the methodology set out in the 2006 Statutory Guidance
 - The weight of the representation received supported an increase on the current Basic Allowance
 - It is still less than the mean/median Basic Allowance paid in the benchmarked councils – the recalibrated Basic Allowance is only keeping Lichfield in touching distance of peer councils as it is starting to lose touch

- It is close to what the Basic Allowance would be if indexation was applied from 2019-2023
- Unlike in many other comparator councils Lichfield Members have to pay for all telecommunications and information technology costs out of their Basic Allowance, and
- 46. The IRP recommends that the Basic Allowance for 2022/23 should be £4,734.
- 47. The IRP also recommends that the Basic Allowance continues to be deemed sufficient include all ITC and other support costs that Members may incur in carrying out their roles.

Special Responsibility Allowances - Leader of the Council

48. The current SRA for the Leader (£12,641) was arrived at through following the approach that is set out in the 2006 Statutory Guidance (paragraph 76) which states

One way of calculating special responsibility allowances may be to take the agreed level of basic allowance and recommend a multiple of this allowance as an appropriate special responsibility allowance for either the elected mayor or the leader.

- 49. In 2016, the IRP noted that the Leader's then SRA (£11,610) was a multiple of just over 3.2 of the then Basic Allowance (£3,547). The IRP in 2016 reset the Leader's SRA at a multiple of 3 times the recommended Basic Allowance as it was the mid-point between the then current multiple of 3.2 times the then current Basic Allowance and the multiple of 2.8 of the then mean Basic Allowance over the mean Leaders SRA. Due to differential indexation, currently, the Leader's SRA is a multiple of just over 2.9 the current Basic Allowance
- 50. The IRP heard that the role of Leader has changed since 2016. There are now greater demands on the role particularly in relation to the need to engage with external partners and stakeholder groups, whether it is local community groups, charities or developers or attending meetings of the West Midlands Local Government Association. Moreover, there was an almost unanimous view from the representation received that the Leader was underpaid. This view is supported by the benchmarking that shows a mean Leader's SRA of £14,848, with a median Leader's SRA of £14,196.
- 51. It remains that the Leader's role does not require a full time commitment yet no matter who is Leader it precludes full time employment in the normally accepted sense. But the IRP has decided to reset the Leader's SRA at a multiple of 2.9 the recommended Basic Allowance. A multiple of 2.9 is the mid-point of the current differential between the Basic Allowance and Leader's SRA, which is 2.94, and the differential between the mean Basic Allowance and mean Leader's SRA in the benchmarking group, which is 2.86. Multiplying the recommended Basic Allowance by 2.9 equates to £13,729. This still leaves the SRA for the Leader less than the mean/median paid to peers.

52. The IRP recommends that the Leader's SRA for 2022/23 should be £13,729.

Deputy Leader

53. The current basis of nearly all the other SRAs paid in Lichfield have been set in accordance with the pro rata approach which has been given specific endorsement in the 2006 Statutory Guidance (paragraph 76) which advises:

A good starting point in determining special responsibility allowances may be to agree the allowance which should be attached to the most time consuming post on the Council (this maybe the elected mayor or the leader) and pro rata downwards for the other roles which it has agreed ought to receive an extra allowance.

- 54. This is known as the 'pro rata' approach. By definition the Leader's SRA is 100 per cent, there is no role larger than that of the Leader. The other SRAs are then arriving at by assessing the particular post as a percentage of the Leader's role and therefore applying that same percentage to their SRA.
- 55. The current SRA (£7,737) for the Deputy Leader has been set at 60% of the Leader's SRA. Benchmarking shows that the mean SRA for Deputy Leaders is £9,700, giving a mean ratio of just under 65% of the mean SRA for Leaders. The median SRA of Deputy Leaders is £9,464. The IRP received no evidence to alter the current ratio of 60% of the Leaders' recommended SRA, which equates to £8,327
- 56. The IRP recommends that the SRA for the Deputy Leader for 2022/23 is £8,237.

Other Cabinet Members (5)

- 57. Similarly, the current SRA (£7,091) for the five other Cabinet Members has been set at 55% of the Leader's SRA. Benchmarking shows that the mean SRA for equivalent posts is £6,968, with a median SRA of £6,302. The other Cabinet Members mean ratio is 47% of the mean Leaders' SRA. This is one of the few SRAs in Lichfield that are slightly higher than that paid in comparator councils.
- 58. However, the IRP is content with maintaining the current Lichfield ratio the benchmarking does not take into account the size of the executive, which in many councils consist of 10 the maximum permitted by the 2000 Local Government Act. In Lichfield, there has been a decrease in the number of Other Cabinet Members since 2016, from six to five. The IRP has decided that the current ratio of 55% of the Leader's recommended SRA remains appropriate, which equates to £7,551. The IRP also recommends that if the size of the Cabinet is to change over the next four that it is consulted on the appropriateness of their SRA.
- 59. The IRP recommends that the SRA for the five other Cabinet Members for 2022/23 is £7,551.

Chair of the Overview and Scrutiny Committee

- 60. In May 2021, the Council restructured its Overview and Scrutiny governance arrangements. It replaced the four Overview and Scrutiny Committees with a single overarching Overview and Scrutiny Committee with a more flexible system of Scrutiny Member Task Groups that address particular issues in more depth for a period. As an interim arrangement the Chair of the Overview and Scrutiny Committee receives the SRA (£2,580) that was originally set for four Overview and Scrutiny Committee Chair, which was set at 20 per cent of the Leader's SRA.
- 61. The Overview and Scrutiny Committee has a number of significant functions that include

The Overview and Scrutiny Committee may:

- a) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- b) make reports and/or recommendations to the Council and/or the Cabinet in connection with the discharge of any functions;
- c) consider any matter affecting the area or its residents;
- d) exercise the right to call in, for reconsideration, decisions made but not yet implemented by the Cabinet;
- e) to assist the Council and the Cabinet in the development of its budget and policy framework;
- f) consider any Councillor Calls for Action requiring scrutiny through the formal scrutiny process.
- g) appoint any Scrutiny Task Groups to investigate or carry out any of these tasks and report back to the committee.

Specific functions

- a) **Policy Development and Review**: The Overview and Scrutiny Committee may:
 - assist the Council and the Chief Executive in the development of its budget and policy framework by in-depth analysis of policy issues;
 - ii. conduct research, community and other consultation in the analysis of policy issues and possible options;
 - iii. consider and implement mechanisms to encourage and enhance community participation in the development of policy options; and
 - iv. question members of the Cabinet and officers about their views on issues and proposals affecting the area.
- b) **Scrutiny:** The Overview and Scrutiny Committee may:
 - review and scrutinise decisions made by and performance of any member exercising executive functions and officers both individually and over time;
 - ii. review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
 - iii. question any member exercising executive functions and officers about their decisions and performance, whether generally in

- comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives, or projects;
- iv. make recommendations to the Cabinet and/or the Council arising from the outcome of the scrutiny process;
- v. question and gather evidence from any person (with their consent);
- vi. consider and make recommendations on a Councillor Call for Action:
- vii. challenge a decision of the Cabinet or an officer not to classify a certain decision as "key".
- c) Scrutiny of regulatory decisions: The Overview and Scrutiny Committees may review policies and procedures in connection with any regulatory functions exercised by Planning and Regulatory & Licensing Committees, and Sub-Committees thereof, or by officers, but such a review shall not include scrutiny of any such decision relating to an individual application for determination, consent, licence, permission etc.
- d) **Crime and Disorder:** The Overview and Scrutiny Committee will act as the Council's Crime and Disorder Committee for the purposes of the Crime and Disorder (Overview and Scrutiny) Regulations. Any member of the Council, whether a member of this Committee or not, may refer a local crime or disorder matter* to the Committee.
- 62. Clearly, the current SRA does not reflect the full responsibility held by the Chair of a single Overview and Scrutiny Committee. There was a view expressed to the IRP that the SRA should be on a par with that paid to the Cabinet Members but the IRP rejected this view. On constitutional grounds alone, the Chair of the Overview and Scrutiny Committee does not have the same decision-making powers as Cabinet Members. While the workload may be similar to that of a Cabinet Member, the responsibility is not the same. Moreover, the work of the Overview and Scrutiny Committee is supported by Member Task Groups, for which the IRP is recommending an SRA for their Chairs (see below).
- 63. Not all the comparator councils have a single Overview and Scrutiny Committee model (nine out of the other 18 councils have such a model, with Hinckley and Bosworth having a main Overview and Scrutiny Committee plus subordinate Scrutiny Committees). However, benchmarking shows mean SRA of £4,226, with the median SRA of £3,689 in amongst those councils where there is a single Overview and Scrutiny Committee.
- 64. In settling upon an appropriate ratio, the IRP has chosen one third of the Leader's recommended SRA, which equates to £4,576. This is somewhat above the mean SRA paid to equivalent posts in comparator councils but Lichfield has given a great deal of responsibility to the Overview and Scrutiny and there was a great deal of support in the representation received to enhance the remuneration of the Chair, even more so than the IRP is recommending.
- 65. The IRP recommends that the SRA for the Chair of the Overview and Scrutiny Committees for 2022/23 is £4,576.

Chairs of the Member (Scrutiny) Task Groups

- 66. To support the work of Overview and Scrutiny the Overview and Scrutiny Committee appoints time limited Member Task Groups. Each Task Group has a chair, appointed by the Overview and Scrutiny Committee Chair in consultation with their Vice Chair. The main function of the Member (Scrutiny) Task Groups is to work on policy development, pre-decision scrutiny and performance scrutiny. They consist of fewer Members delving more deeply into a salient issue in a more proactive way in a more informal format, thus allowing a more effective working outside of the formal structures.
- 67. Currently there are six Member (Scrutiny) Task Groups in place
 - Climate Change
 - Lichfield City Masterplan
 - New Leisure Centre
 - Councillor Community Fund
 - Council Tax Support Group
 - Local Plan Sub-Committee
- 68. Each Scrutiny Task groups are made up of a small number of Councillors usually 5. The Team may include members from each political group on the Council but does not have to be politically balanced. Membership is not restricted to members of the Overview and Scrutiny Committee and any non-Executive member of the Council may be nominated to serve on a Scrutiny Task group. Consideration may also be given to the appointment of persons from outside the Council as co-opted Members of Scrutiny Task groups.
- 69. When a new Scrutiny Team is proposed, the Overview and Scrutiny Committee will set out its Terms of Reference and expected timescale for report. The Committee will invite all non-Executive members of the Council to express an interest in joining the Team. The Chair of the Committee in consultation with Group Leaders will select membership of the Team taking into account the following:-
 - experience and expertise of individual members;
 - whether or not the Members have taken part in previous Scrutiny Task groups. The aim is to build a team of Councillors with a mixture of experience and knowledge, but commitment to and enthusiasm for the task is as important.
- 70. Members of Scrutiny Task Groups are expected to:
 - undertake appropriate reading and research. This may involve consultation, visits and evidence gathering between meetings of the Team;
 - having agreed a programme of meetings of the Task Group, to attend as many of them as possible;
 - to ask for support, training and development if/when members feel it is necessary;
 - to contribute fully to the drafting of the final report.

- 71. The Chair of the Task Group will be chosen from among the members of each group at either Overview or Scrutiny Committee when it sets up the Task Group, or at its first meeting and must hold suitable skills or attended relevant training. The Chair will ensure regular update reports are made as appropriate
- 72. Benchmarking is not relevant in this case, only one other comparator council (Bromsgrove) remunerates Chairs of Scrutiny Task Groups at £1,183. Nonetheless, the IRP concluded that based on the evidence received the Chairs of the Member (Scrutiny) Task Groups merit an SRA. The IRP further concluded that a fixed annual SRA was not relevant in case. A Member Task Group could might meet fortnightly over a 2 or 3-month period or meet once every 4 or so months over a 2-3 year period. Consequently, the IRP decided that in this case an appropriate approach was to recommend an SRA for the Chairs on a per meetings basis.
- 73. The IRP was concerned that recommending an SRA on a per meetings basis to the Chairs of the Member (Scrutiny) Task Groups was somewhat open ended in that the number of Task Groups could proliferate and that consequently the number of SRAs payable increase accordingly. However, the IRP was informed that the reality of the situation was that the number of Member (Scrutiny) Task Groups in place at any one time and the number of meetings they can hold are constricted by the Council's capacity and resources to support them.
- 74. Thus, in setting the appropriate SRA for when the Chairs of the Member (Scrutiny) Task Groups actually meet the IRP decided that it should be half of the daily rate of remuneration utilised in setting the recalibrated Basic Allowance, which is £52 per meeting. The half-day assessment is based on aa assumed meeting length of two hours and a minimum of two hours preparation.
- 75. The IRP recommends that the Chairs of the Member (Scrutiny) Task Groups should receive an SRA of £52 per meeting for 2022/23. The IRP further recommends that this SRA should only be applicable to those Member Task Group meetings where a formal agenda is sent out and notes of the meeting taken that are submitted to the Overview and Scrutiny Committee.

Chair of the Planning Committee

- 76. Currently, the Chair of Planning is paid an SRA (£6,446) that has been set at 50 per cent of the Leader's SRA. It is the highest paid committee chair in Lichfield District Council and is somewhat higher than that paid in the comparator councils. Benchmarking shows that the mean SRA paid to this post is £5,445, with a median SRA of £5,328.
- 77. The IRP is content with the current ratio remaining at 50 per cent of the Leader's recommended SRA, which now equates to £6,865 and being higher than the mean/median SRA in the benchmarking group. The Planning Committee is a very active committee that deals with high profile issues. It meets monthly, more than any other committee. The Planning Committee has a great many planning applications to deal with, including those that are relatively large and complicated. Moreover, there are planning issues that are peculiar to Lichfield largely surrounding the large number of listed buildings in the city. It is the only

committee where standing orders are regularly suspended as meetings overrun.

78. The IRP recommends that the SRA for the Chair of the Planning Committee for 2022/23 is £6,865.

Members of the Planning Committee

- 79. The IRP received some representation that the ordinary Members of the Planning Committee merited an SRA largely because the committee met more than other committees, there was a lot of reading for planning meetings and all Members of the Planning Committee have to undertake relevant training. As such, the argument presented was that Planning Committee Members had more work to do than other frontline Members did.
- 80. In considering this argument, the IRP was cognisant of the 2006 Statutory Guidance which states (paragraph 73):

It does not necessarily follow that a particular responsibility, which is vested to a particular member, is a significant additional responsibility for which a special responsibility allowance should be paid. Local authorities will need to consider such particular responsibilities very carefully. Whilst such responsibilities may be unique to a particular member it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work, which is acknowledged within the basic allowance, and not responsibilities for which a special responsibility allowance should be recommended.

- 81. In other words, the Guidance is suggesting that, despite there being some roles that are beyond what others are doing, it does not necessarily merit a SRA, as it should be covered by the Basic Allowance.
- 82. The IRP understands that all Members are expected to undertake a regulatory role whether on Planning or Regulatory and Licensing or Audit and Members Standards Committees and potentially Members of the Regulatory and Licensing Committee can be heavily involved in Licensing Sub-Committees, indeed as can members of certain Member (Scrutiny) Task Groups. Moreover, all Members have a great deal of reading to undertake. Thirdly, the IRP was reluctant to set a precedent by recommending an SRA for ordinary Members on a particular committee as inevitably there will be occasions when Members of other committees will be undertaking a particularly heavy workload. Finally, the IRP notes that not a single other council in the benchmarking group remunerate the ordinary Members of their Planning Committee (although it is acknowledged that such an SRA is on occasion paid in English local government).
- 83. Consequently, the IRP is not recommending that the ordinary Members of the Planning Committee should be paid an SRA.

Chair of the Regulatory and Licensing Committee

- 84. The Chair of the Regulatory and Licensing Committee is paid an SRA of £2,580, which has been set at 20% of the Leader's SRA. Benchmarking shows the mean SRA in the comparator councils for equivalent posts is £2,867 with the median SRA being £2,569.
- 85. It is noted that the Regulatory and Licensing Committee only has three scheduled meetings per year. Yet, the Committee Chair as a matter of course chairs the Licensing Sub-Committees that deal with licensing applications where there has been an objection. On average, there have been four of these Licensing Sub-Committee meetings each year for the last four years. As such, no evidence was received to alter the current ratio; it should remain at 20% of the Leader's recommended SRA, which equates to £2,746.
- 86. The IRP recommends that the SRA for the Chair of the Regulatory and Licensing Committee for 2022/23 is £2,746.

Chair of the Audit and Member Standards Committee

- 87. The current SRA (£1,621) for the Chair of the Audit and Member Standards Committee was set at 12.5 per cent of the Leader's SRA. It was set at this level on the basis that at the time there was only three scheduled meetings of what was then the Audit Committee.
- 88. Since 2016, there have been some important changes regarding this committee. Firstly, in 2017 it required the additional responsibility for Member Standards, which mainly involves maintaining and updating where relevant the Councils statutory Councillors Code of Conduct. In the benchmarking group, seven of the comparator councils maintain and remunerate the Chair of a separate Standards Committee.
- 89. Most importantly it has responsibility for the statutory Audit function that can be broadly categorised as follows:
 - <u>Audit Activity</u>: consideration of internal and external audit plans and make recommendations thereon, including risk assurance
 - Regulatory Framework: to maintain an overview of the Council's Constitution in respect of contract procedures, financial regulations and to review the adequacy of policies and practices to comply with statutory requirements and guidance
 - Accounts: to review the annual statement of accounts including raising any concerns
- 90. The IRP was informed that the Audit function has become much more important since 2016 review largely resulting from local government facing increased financial challenges and accompanying financial risk. The work of the Audit and Member Standards Committee has become much more in depth and the number meetings scheduled each year has doubled to six. Benchmarking shows that comparatively the Chair of the Audit and Member Standards

- Committee is very low. The mean SRA for similar posts is £3,228 and median SRA is £3,089.
- 91. Consequently, the IRP decided to reset the ratio utilised in arriving at the SRA for the Chair of the Audit and Member Standards Committee to 25 per cent of the Leader's recommended SRA, which equates to £3,432.
- 92. The IRP recommends that the SRA for the Chair of the Audit and Member Standards Committee for 2022/23 is £3,432.

Chair of the Employment Committee

- 93. Currently the Chair of the Employment Committee receives an SRA of £1,621, originally set at 12.5 per cent of the Leaders' SRA. Typically the role of the Employment Committee is to oversee the Council's employment policies, staff terms and conditions and recruitment of senior Officers. In times of stability, the Employment Committee has three scheduled meetings per year. However, the IRP notes that the Council is entering a period of staff restructuring that will mean an increase in the number of meetings of the Employment Committee over the next 12-18 months and it will probably settle down again after that. As such, the IRP concluded that a small increase in the ratio utilised to set the SRA was merited and it can be revisited when the IRP reviews the scheme once again.
- 94. Benchmarking is not of a great deal of assistance in this case as only two other councils in the benchmarking group remunerate their Chair of Employment, South Staffordshire £2,500 and South Kesteven £3,924. The IRP simply applied a small uplift to ratio to take into account the increase in workload over the next four years (which is when the IRP will be reviewing the scheme once more). The IRP has reset the SRA at 15 per cent of the Leader's recommended SRA, which equates to £2,059.
- 95. The IRP recommends that the SRA for Chair of the Employment Committee for 2022/23 is £2,059.

Chair of the Council

- 96. Currently, the Chair of the Council receives an SRA (£2,885) that is paid at just under 23 per cent of the Leader's SRA. This figure is historical and was not changed at the time of the last review. The Chair of the Council has six meetings a year to chair. It can be an onerous position as the Council meeting is the principle political arena for every Member and if the Council Chair does not get the rules of procedure correct, they can be very exposed.
- 97. Again, benchmarking for this role is of limited utility as only four of the benchmarked councils pay their Council Chair an SRA, with a mean SRA of £3,794 and median SRA of £3,031. Nonetheless, the IRP received no evidence to suggest that the current SRA received by the Chair of the Council was no longer appropriate.

98. The IRP recommends that the SRA for the Chair of the Council for 2022/23 remains at £2,885.

Leader of the Principal Minority (Opposition) Group

- 99. Currently, the Leader of the Principal Minority (Opposition) Group receives an SRA of £2,943 that was originally linked to that paid to Chair of the Council. The SRA for the Leader of the Principal Minority (Opposition) Group reflects a context when there was fewer Opposition Members. Since 2016, the Principal Opposition Group has increased to 10 Members, which is over 20 per cent of the total Council membership.
- 100. Benchmarking shows that this post in Lichfield is paid much less than peers, with the mean SRA being £4,704 and median SRA being £4,742. However, the size of the Principal Opposition Groups in the comparator councils is unknown what but it can be readily assumed to be on average greater than 20 per cent of their Council membership.
- 101. Nonetheless, the IRP notes that is a statutory requirement to remunerate an Opposition Member and an effective Opposition underpins the effective functioning of local representative democracy in English local government. As such, the IRP has decided to reset the SRA for the Leader of the Principal (Opposition) Group at 25 per cent of the Leader's recommended SRA, which equates to £3,432.
- 102. The IRP recommends that the SRA for the Leader of the Principal Minority (Opposition) Group for 2022/23 is £3,432.

The Committee/Council Vice Chairs and Deputy Leader of the Principal Minority (Opposition) Group

- 103. Currently, the SRAs for the Committee/Council Vice Chairs and Deputy Leader of the Opposition have been set at 25 per cent of their respective Chairs and Leader of the Principal (Opposition) Group Leader's SRAs. These SRAs were recommended back in 2016 on the basis that it be expected that the Vice Chairs and Deputy Leader of the Principal (Opposition) Group would have an active role to undertake. However, on the evidence received this does not appear to be the case. Their primary role is to attend pre-meeting briefings with their respective Chair and even then, the IRP was informed that not all do so as a matter of course. Secondly, they are required to stand in when required, which in practice is not very often. Thirdly, they are not assigned any specific formal tasks to undertake.
- 104. It is noted that in the benchmarking group that it is not common practice to remunerate Vice Chairs or the Deputy Leader of the Principal (Opposition) Group. The highest frequency of such an SRA being paid is for Vice Chairs of Planning Committees, which occurs in eight of the 18 other comparator councils. In most instances no more than 3-4 Vice Chairs/Deputy Leader of the Opposition amongst the comparator councils, it is more likely that they are not remunerated.

- 105. As such, the IRP considered whether these SRAs were still merited but decided on balance that some remuneration was merited because there was the potential for the Vice Chairs and Deputy Leader of the Principal (Opposition) Group to stand in for their respective Chair/Group Leader and generally support their respective Chairs and Principal (Opposition) Group Leader. However, the IRP has decided to reset these SRAs at 15 per cent of their respective Chairs/Leader of the Principal Opposition Group SRAs.
- 106. The IRP recommends that the SRAs for the Vice Chairs of Committees/Council and Deputy Leader of the Principal Minority (Opposition) Group for 2022/23 are reset as follows:.

Vice Chair Planning: 15% X £6,865 = £1,030
Vice Chair Overview & Scrutiny: 15% X £4,576 = £686
Vice Chair Audit & Member Standards: 15% X £3,432 = £515
Vice Chair Regulatory & Licensing: 15% X £2,746 = £412
Vice Chair Employment: 15% X £2,059 = £309
Vice Chair Council: 15% X £2,885 = £433
Deputy Leader Principal Opposition Group: 15% X £3,432 = £515

Maintaining the 1-SRA only rule

- 107. The 2003 Regulations do not prohibit Members receiving multiple SRAs. However, since SRAs are now significant sums councils typically have adopted a '1-SRA only' rule. In other words, regardless of the number of remunerated posts a Member may hold they can only be paid one SRA. The 1-SRA only rule has been adopted by Lichfield District Council.
- 108. There was some representation received that the 1-SRA only rule was unfair and that a Member should be paid an SRA for all remunerated posts that they may hold.
- 109. However, it is noted that this cap on the payment of SRAs to Members means that posts are not simply sought out for financial reasons; i.e. collecting remunerated posts does not enhance remuneration. Indeed, the logic of the 1-SRA only rule is that it helps to spread such posts around more. It also makes for a more transparent allowances scheme and acts as a brake on the total paid out each year in SRAs, as in practice it will be highly unusual if all SRAs are paid out annually, resulting in a saving to the Council. Moreover, it is a common rule adopted across English local government (and in Wales and Scotland, it is a statutory restriction). Out of the 18 other councils in the benchmarking group only South Ribble and Tewkesbury permit the payment of more than 1 SRA to their Members
- 110. Consequently, the IRP has decided to recommend that the Council maintains the 1-SRA only rule within the Lichfield District Council Members' Allowances Scheme so that a Member can receive no more than one SRA.

Co-optees' Allowances

- 111. The 2003 Regulations permit the payment of a Co-optees' Allowance that can be paid to non-elected Members appointed to Council committees. In the past, the payment of this allowance applied mainly to the statutory Co-optees appointed to Standards Committees. However, there is no longer a Standards Committee in Lichfield District Council and the only Co-optee the Council now appoints is one to the Audit and Member Standards Committee, who receives a Co-optees' Allowance of £50 per meeting, a figure that has remained static since 2019.
- 112. On the grounds that the IRP has recommended a compensating uplift to the Basic Allowance, largely to account for it also being static since 2019, then a similar uplift should apply to the Co-optees' Allowance.
- 113. In setting the Co-optees' Allowance the IPP has decided to utilise the rate of remuneration used to in arriving at the recalibrated Basic Allowance, which is £103.46 per day. On the basis that any meeting a Co-optee may attend would last no more than a couple of hours and there would be some accompanying preparation the IRP has assessed the time commitment to be half a day per meeting. The IRP has simply arrived at a Co-optees' Allowance by halving the daily rate of remuneration, which equates to £52.
- 114. The IRP recommends that the Co-optees Allowance is set at £52 per meeting for 2022/23.
- 115. The IRP also recommends that the Co-optees' Allowance is included in the published Members' Allowances Scheme.

The Allowances for expenses: The In-Council Subsistence Allowance

- 116. Currently, Members are not permitted to claim a Subsistence Allowance for attending approved duties within the council district. The in-Council Subsistence Allowance is outmoded, harking back to a time when Members did not receive substantial remuneration. The IRP received no evidence to alter the situation; the majority of councils no longer pay an in-Council Subsistence Allowance. However, there is lack of clarity in the current allowances scheme and it could be construed that Members can in fact claim an in-Council Subsistence Allowance, in the interests of transparency the fact that it cannot be claimed should be inserted in the allowances scheme.
- 117. The IRP recommends that there is no right of Members to claim an In-Council Subsistence Allowance and that this provision is inserted in the allowances scheme.

Outwith the Council: Subsistence Allowances and Overnight Accommodation

118. Although rarely claimed currently Members are able to claim an Overnight Accommodation Allowance that is based on the same rates that apply to Members of Staffordshire County Council as set out in Schedule 4 of the Staffordshire County Council Members' Allowances Scheme However, this provision is not made clear in the current Members' Allowance scheme.

119. In the interests of transparency the IRP recommends that the provision for Members to claim an Overnight Accommodation Allowance is inserted into the Lichfield District Council Members' Allowances scheme and is claimable at the following maximum rates:

London allowance for overnight accommodation £92

• All other for overnight accommodation £80

- 120. The IRP also recommends that where a Member is required to stay overnight on an approved duty then the expectation in the first instance is that relevant accommodation will be pre-booked through Civic Support and the Overnight Allowance is only claimable when pre-booking through Civic Support cannot be done in time. This provision should also be inserted into the Members' Allowances scheme.
- 121. It is noted that the current allowances scheme states that where a Member is required to attend an approved duty outwith the Council then they are able to claim subsistence allowances at applicable Officer rates. These rates are very low not having changed for many years and restricted to specific times for specific meals. It is now common practice to aggregate the outwith Subsistence Allowances to cover a 24-hour period, it is more flexible and more closely reflects actual costs of meals. Consequently, the IRP recommends that Members attending an approved duty outwith the Council should be able to claim a Subsistence Allowance at a maximum of £25 over a 24-hour period. This provision should also be inserted into the current Members' Allowances scheme.

The Travel Allowances

- 122. Currently, Members are eligible to claim a mileage allowance for attending approved duties both within and outwith the Council. Many councils have discontinued the mileage allowance for attending approved duties within the Council area. However while this allowance is rarely claimed in Lichfield District Council where it is claimed it is normally done so by those Members who represent the outer wards who are required to undertake the most in-Council travel and as such this provision should be maintained, payable at Her Majesty's Revenue and Customs (HMRC) Approved Mileage Allowance Payments (AMAP) rates.
- 123. Likewise, Members who undertake approved duties outwith the Council are able to claim mileage allowances set at HMRC AMAP rates. The IRP received no evidence to change this situation, HMRC AMAP rates are the most common mileage rates for Members claiming travel in English local government, as they are tax efficient. However, there is lack of clarity within the current scheme that HMRC mileage rates are actually applicable.
- 124. The IRP recommends that the Council maintain the full range of HMRC mileages rates for the mileage allowance, to include both within and outwith the council, and these rates are inserted into the scheme as follows.

Table One HMRC Mileage Rates 2022

Kind of vehicle	HMRC AMAP Rate per mile
Car or van	45p for the first 10,000 miles
	25p after that
Motor cycle	24p (all miles)
Cycle	20p (all miles)
Passenger Supplement	5p per passenger per mile

- 125. Although the issue of travel by hybrid/electric vehicle was not raised with the IRP, it took the view that the question of applicable mileage rates would arise sooner rather than later. Thus to future proof the scheme and in the interests of clarity the IRP has made recommendations for mileage rates where a Member is claiming the mileage allowance when travelling in a hybrid or electric vehicle. The Office for Low Emissions Vehicles in its 2018 publication "Ultra Low Emission Vehicles Tax Benefits" advises that when claiming business mileage in hybrid/electric vehicles then HMRC are applicable.
- 126. The IRP recommends that the allowances scheme be clarified to include provision that when a Member is claiming mileage allowances when travelling in a hybrid/electric vehicle then HMRC mileage rates are applicable.
- 127. The IRP also recommends that when travelling outwith the Council that standard class public transport is the expected mode of travel where feasible and the most inexpensive option and this provision should be inserted into the Members' Allowances scheme.

The Dependants' Carers' Allowance (DCA)

- 128. The Local Government Act 2000 explicitly clarifies the right of local authorities to pay a Dependants' Carers' Allowance (DCA), which Members can claim to assist in meeting costs for care of their dependants while on statutorily defined approved Council duties. It is an allowance explicitly designed to enable a wider range of candidates to stand for and remain on Council. The IRP notes that the vast majority of councils now pay a DCA, as does Lichfield District Council. Although the DCA is rarely claimed, in the representation received there was unanimous support for the continuation of this allowance, mostly on the grounds that it contributes to reducing a potential barrier to public service for traditionally underrepresented groups.
- 129. Consequently, the IRP recommends that the DCA is maintained for the two different categories of care at maximum hourly rates as follows:

• Childcare: capped at the national living wage (£9.50 per

hour - April 2022)

• Other care: capped at the hourly wage charged by

Staffordshire County Council Social Services

for a Carer.

The Civic Allowances for Council Chair and Vice Chair

- 130. The Civic Allowances are paid under the Local Government Act 1972 (sections 3.5 and 5.4) to meet the expenses of holding the offices of Chair and Vice Chair of the Council. As such, it is not remuneration, although in many authorities it has in effect become a substitute salary, and is why the Civic Allowance is administered by Civic Support in Lichfield to pay on-going direct expenses upon production of receipts. In particular the Civic Allowance is designed to meet out of pocket expenses that arise during the course of their duties including inter alia:
 - Offertories at all church and other religious services
 - Purchases and donations at bazaars, fairs and fetes
 - Appropriate clothing including for consort
 - Cost of hospitalities not administered by Civic Support such as dinners organised by local organisations, etc.
 - Cost of tickets to events invited to such as other dinners, theatre and exhibitions
 - Mileage if using own car
- 131. Currently, the Chair of the Council is able to claim up to £2,080 and Vice Chair £1,050 as reimbursements under the Civic Allowances, which can be drawn against upon the production of receipts where relevant.
- 132. As is often the case in English local government, the IRP was asked to provide a view on the Civic Allowances in the absence of any other external validation.
- 133. The IRP was informed that in some years the Vice Chair of the Council could attend more civic events than in other years and correspondingly the Chair attending less civic events than in other years. Also the IRP was further informed that the nature of Lichfield District Council is such that the Council Chair and Vice Chair are often required to attend events together. The upshot of these two situations means that the Civic Allowance for the Vice Chair can be used up before their term of office ends. Consequently, the IRP recommends that the currently separately identifiable Civic Allowances be amalgamated which can then be claimed against by both the Council Chair and Vice Chair.
- 134. The Civic Allowance is a difficult allowance to benchmark as it is not typically included in councils Members' Allowances scheme and very often councils provides other budgets to support the civic function. Nonetheless, the Lichfield Civic Allowances do appear to be on the low side particularly in the context of the cost of living increases and that it has actually decreased since the last review.
- 135. Consequently, the IRP recommends that the Civic Allowances be increased to £2,500 for the Chair of the Council and £1,250 for the Council Vice Chair. In accordance with the recommendation that the Civic Allowances be amalgamated, this equates to a total of £3,750 per year to be claimed against by both the Council Chair and Vice Chair.

136. Furthermore, the IRP recommends that to provide clarity to the Civic Allowance that the Council specify how the Civic Allowance may be spent. In particular, it would useful if it was laid out what proportion of the Civic Allowance may be spent on personal items.

Indexing Allowances

- 137. The allowances have not been indexed since 2019, by Council decision and since then because the authority to index allowances had lapsed. If the Council wishes to reinstate indexation of allowances, it is required to seek the advice of the IRP. It is noted that from the 2016 review the Council adopted the IRP's recommendation that the allowances be indexed. In particular, the Basic Allowance and SRAs were indexed to the annual cost of living percentage salary increase for Officers, as agreed nationally each year by the National Joint Council (NJC) for Local Government Staff and is known as the 'NJC' index. It is the most common index utilised by English local authorities for their councils Basic Allowance and SRAs.
- 138. The IRP points out that if allowances are not indexed then the Council is not able to apply an annual cost of living increase without further reference to the IRP. However, where a Council has adopted indices they are under no obligation to apply them each year. Council and individual Members retain the right not to apply an index to their allowances.
- 139. The IRP received no evidence not to re-recommend that the allowances are indexed; it was a principle that was also supported by the vast majority of the Member interviewees. It helps ensure that allowances maintain relative value without having to apply periodic substantial increases to achieve the same effect.
- 140. The IRP recommends that allowances are indexed annually (where applicable) up to the end of municipal year 2025/26, the maximum period permitted by legislation, without reference to the IRP as follows:

Basic Allowance, SRAs, Co-optees and the Civic Allowances:

 Updated annually in line with the annual percentage pay increase given to Lichfield District Council employees (and rounded to the nearest £ as appropriate) as agreed for each year by the National Joint Council (NJC) for Local Government Staff.

Dependants' Carers' Allowance:

 The maximum hourly rates to be indexed to the government's national living wage (childcare) and Staffordshire County Council's chargeable hourly rate for a Home Care Assistance (care of other dependants).

Mileage Allowance:

 Members' mileage allowances rates indexed to the HMRC AMAP mileage rates.

Daily out of Council Subsistence and Overnight Allowances:

 Updated annually in line with the annual percentage pay increase given to Lichfield District Council employees (and rounded to the nearest £ as

- appropriate) as agreed for each year by the National Joint Council for Local Government Staff.
- 141. In the interests of clarity, the IRP further recommends that the provision for indexation and the specified indices be inserted into the Lichfield District Council Members' Allowances Scheme.

Implementation

- 142. The IRP recommends that the new scheme of allowances based on the recommendations contained in this report be adopted from date of the Council's meeting on 12th July May 2022.
- 143. The exception to the recommended general implementation is the implementation of the indices for the Basic Allowance, SRAs, Civic Allowances, daily out of Council Subsistence and Overnight Accommodation Allowances. As most of these allowances have been either reset or newly recommended indexation for the municipal year 2022/23 is not appropriate. The implementation date for the indexation of these allowances should be from the start of the 2023/24 municipal year.

Appendix 1: Members and Officers who met with the IRP

<u>Members</u>

Cllr D. Baker Vice Chair of Planning Committee and Chair New Leisure

Centre Member Task Group (Conservative)

Cllr J. Checkland Vice Chair of Regulatory & Licensing Committee

(Conservative)

Cllr I. Eadie Deputy Leader of the Council/Cabinet Member for Economic

Development, Local Plan, Parks & Leisure (Conservative)

Cllr A. Lax Cabinet Member for Regulatory, Housing & Health

(Conservative)

Cllr D. Leytham Chair of Overview & Scrutiny Committee (Conservative)

Cllr A. Little Independent Member

Cllr T. Marshall Chair of the Planning Committee (Conservative)

Cllr T. Matthews Chair of Employment Committee

Cllr S. Norman Leader of the Principal Minority (Labour Opposition) Group,

Vice Chair Overview & Scrutiny Committee & Chair Climate

Change Member Task Group

Cllr D. Pullen Leader of the Council & Chair of Cabinet and Conservative

Group Leader

Cllr C. Spruce Chair Audit & Member Standards Committee (Conservative)

Cllr B. Yeates Chair of Regulatory & Licensing Committee (Conservative)

Written Submissions - Elected Members

Cllr J. Checkland Vice Chair of Regulatory & Licensing Committee

(Conservative)

Cllr P. Ray Liberal Democrat Member

Officers who briefed the IRP

Christie Tims Chief Operating Officer

Anthony Thomas Head of Finance & Procurement (Section 151 Officer)

Christine Lewis Principal Governance Officer & Deputy Monitoring Officer

Appendix 2: Information Received by the IRP

- 1. IRP Terms of Reference
- 2. Lichfield District Council Members' Allowances Scheme 2021/22
 - Including full range of mileage and subsistence rates
- 3. Statutory publication of Lichfield District Council allowances and expenses paid to and claimed by Members, 2020/21
- 4. Lichfield District Council IRP Report April 2016 and accompanying report recording council decision
- 5. Flow chart of Lichfield District Council Committee structure
- 6. Lichfield District Council Constitution 2022 Part 2 Articles of the Constitution, setting out committees and terms of reference and decision-making process
- 7. Lichfield District Council Constitution 2022 Part 3 Responsibility for Functions, setting out responsibility for council functions
- 8. List of Committees and Member Working Task Groups including Chairs and Vice Chairs
- 9. Schedule of Council and Committee Meetings 2022/23 including
 - Number of Licensing Sub-Committee meetings for past 4 years and who chaired them
 - Number of Standards Hearings/Panel meetings last 4 years
- 10. Hard copies of written submissions from Members to IRP
- 11. Office for Low Emissions √ehicles, Ultra Low Emission Vehicles Tax Benefits, 2018
- 12. National Census of Local Authority Councillors 2018 (LGA), breakdown of weekly hours by councillors by number of positions held and type of council, in email from S. Richards, LGA 21 October 2019.
- 13. National Joint Council for Local Government Services, Local Government Services Pay Agreement 2021-22, 28 February 2022
- 14. Power point IRP training presentation by IRP Chair (Dr Declan Hall), "Reviewing Members' Allowances: the Lichfield District Model, Patterns, Approaches and Issues to consider"
- 15. Annual Survey of Hours and Earnings (ASHE), Table 7.1a, weekly pay (gross) all full time employee jobs in area of Lichfield District Council, Office of National Statistics (Work Geography), 2021
 - Showing median LDC earnings of £103.46 per day based on £517.30 per week
- 16. CIPFA Near Neighbours Lichfield DC 15 nearest neighbours, 2014 model

- 17. Hard copies of allowances schemes (2021/22) from 18 Councils in benchmarking group
- 18. Comparative summary of allowances schemes from benchmarking councils see appendix 3
- 19. New Council Constitutions; Guidance on Regulation for Local Authority Allowances, 5 May 2006, Department of Communities and Local Government
- 20. The Local Authorities (Members' Allowances) (England) Regulations 2003 (Statutory Instrument 2003/1021)
- 21. Aide Memoire from Chair of IRP to inform the basis of interviews with Members

<u>Lichfield District Council</u>

IRP May 2022 Report

Appendix 3: Benchmarking Allowances for Lichfield District Council

BM1 Lichfield DC Comparator Group: BA & Exec & Scrutiny SRAs 2021/22 (unless indicated)										
Authority	Basic Allowance	Leader	Leader Total	Deputy Leader	Cabinet Members	Chair Main O&S	Vice Chair Main O&S	Chairs of Scrutiny	Vice Chairs of Scrutiny	Chairs Scrutiny Task Groups
Stafford BC	£4,944	£11,535	£16,479	£8,239	£6,262	£3,516	/			
Hinckley & Bosworth	£5,280	£16,830	£22,110	£8,250	£7,260	£4,620		£3,300		
South Staffs	£5,997	£14,340	£20,337	NA	£6,257	£2,607				
Stroud	£5,468	£10,587	£16,055	NA	NA	NA		NA		
South Ribble	£4,827	£15,105	£19,932	£11,766	£6,302	£3,689				
Bromsgrove	£4,732	£14,196	£18,928	£9,464	£6,151	£6,151				£1,183
Tewkesbury	£7,350	£8,800	£16,150	£6,600	£4,400	£2,200				
West Lancashire	£4,842	£12,105	£16,947	£7,263	£4,842	£2,421				
South Kesteven	£5,886	£20,589	£26,475	£16,176	£11,766			£5,886	£1,941	
Maldon	£5,066	£12,665	£17,731	£5,066	NA	£3,800				
Cannock Chase	£5,706	£19,403	£25,109	£9,903	£8,578			£2,138		
East Staffs	£4,951	£18,410	£23,361	NA	£8,368			£3,862		
Newcastle-under-Lyme	£3,365	£19,250	£22,615	£15,170	£5,660			£2,830	£1,130	
N. Warwickshire	£5,321	£11,946	£17,267	NA	NA	£5,083				
NW Leicestershire	£5,115	£20,460	£25,575	£12,788	£7,673			£2,558		
South Derbyshire	£6,900	£19,653	£24,693	£10,809	NA	£9,815	£2,103			
Staffs Moorlands	£2,902	£9,565	£12,467	£5,739	£4,783			£3,348	£1,913	
Tamworth	£5,609	£14,038	£19,647	£10,528	£9,124			£6,316		
Lichfield	£4,298	£12,641	£16,939	£7,737	£7,091	£2,580	£645			
Mean	£5,187	£14,848	£19,938	£9,700	£6,968	£4,226		£3,780	£1,661	
Median	£5,115	£14,196	£19,647	£9,464	£6,302	£3,689		£3,324	£1,913	
Highest	£7,350	£20,589	£26,475	£16,176	£11,766	£9,815		£6,316	£1,941	
Lowest	£2,902	£8,800	£12,467	£5,066	£4,400	£2,200		£2,138	£1,130	
Mean Ratios	2.9	100%		65%	47%	28%		25%	44%	

	BM2: Lichfield Comparator Group: Regulatory & Other SRAs 2021/22 (unless indicated)									
Authority	Chair Planning	V/Chair of Planning	Chair Licensing (inc Regulatory)	V/Chair Licensing	Chair Licensing Subs/2003 Act	Chair of Audit &/or Governance	Vice Chair Audit &/or Governance	Chair HR or Employ'mt	Chair Standards	
Stafford BC	£4,614	£989	£1,758			£2,527			£1,069	
Hinckley & Bosworth	£5,500		£2,500			£4,620		£2,500		
South Staffs	£3,655	£1,042	£2,607			£2,607			£2,607	
Stroud	£5,293	£1,244	NA			£5,294	£1,059			
South Ribble	£5,401		£3,432			£3,689			£563	
Bromsgrove	£6,151		£1,419			£1,183				
Tewkesbury	£2,200		£2,200			£2,200			£2,200	
West Lancashire	£4,842		£2,421		£2,421	£2,421				
South Kesteven	£5,298	£1,749	£3,237	£1,068		£3,924	£1,299	£3,924		
Maldon	£5,700		NA			£5,066	£1,267			
Cannock Chase	£4,619		£1,982			£1,982				
East Staffs	£7,029		£6,136			£3,862			£1,471	
Newcastle-under-Lyme	£4,230	£1,410	£3,430	£1,130		£2,830	£1,130		£2,830	
N. Warwickshire	£5,328	£1,866			£1,866	NA				
NW Leicestershire	£7,673		£2,558			£2,558				
South Derbyshire	£9,815	£2,013	£4,865			£4,865				
Staffs Moorlands	£3,348	£1,913	£3,348	£957		£3,348			£2,391	
Tamworth	£6,316		£1,403		£90 p/mtg > 4 hrs/£45 < 4 hrs	£3,509				
Lichfield	£6,446	£1,621	£2,580	£645		£1,621	£632	£1,621		
Mean	£5,445	£1,539	£2,867	£950		£3,228	£1,077	£2,682	£1,876	
Median	£5,328	£1,621	£2,569	£1,013		£3,089	£1,130	£2,500	£2,200	
Highest	£9,815	£2,013	£6,136	£1,130		£5,294	£1,299	£3,924	£2,830	
Lowest	£2,200	£989	£1,403	£645		£1,183	£632	£1,621	£563	
Mean Ratios	37%	28%	19%	33%		22%	33%	18%	13%	

BM3: Lichfield Comparator Group, Opposition & Other SRAs & Comments 2021/22 (unless indicated)								
Authority	Main Opposition Leader	Main Opposition Deputy Leader	2nd Opposition Group Leader	Council Chair	Council Vice Chair	Other SRAs/Comments		
Stafford BC	£4,394					Chair Public Appeals £1,758		
Hinckley & Bosworth	£4,620		£4,620	£8,000	£3,000	Chair Appeals Panel £2,500		
South Staffs	£2,607							
Stroud	£4,976		£1,059	£3,176	£635			
South Ribble	£4,864					Chairs Area Forums (x5) £3,689, > 1 SRA payable		
Bromsgrove	£1,183					Chairs Appointments, Appeals, Electoral Matters Committees/Standards Sub £141 p/meeting,		
Tewkesbury	NA			£2,200	£1,350	Support Members (x9) £175, >1 SRA payable		
West Lancashire	£3,389	£1,694						
South Kesteven	£5,886					Chair & Vice Chair Companies Committee £3,924/£1,299, Chair & Vice Chair Constitution Committee £2,652/£873, Employment Committee Vice Chair £1,299		
Maldon	£5,066			£5,066	£507	SRA for Planning Chair = 3 Area Planning Chairs @ £1,700 each, Chair and Vice Chair Strategy & Resources Committee £5,066/£1,267		
Cannock Chase	£7,260					Shadow Cabinet Members £1,282		
East Staffs	£8,368		£1,004			Cabinet Support Members £4,190		
Newcastle-under-Lyme	1,130		£1,130			Chair & Vice Chair Public Protection Committee £3,430/£1,130, Vice Chair Standards Committee £1,130		
N. Warwickshire	£3,952	£1,866	£1,866			Chairs & Vice Chairs Policy Committees ££5,328/£1,866, Chairs Sub Committees (x2) £1,866		
NW Leicestershire	£5,115					Chair Local Plan Committee £2,558		
South Derbyshire	£9,249	£4,630				Chairs & Vice Chairs Policy Committees (x3) £9,815/£2,03		
Staffs Moorlands	£3,348		£3,348	£1,435		Cabinet Support Members £3,828, Chairs Constitution Review WP, Local Plan Steering Group & Appeals Board + Member Development Champion £1,913, Vice Chairs Standards + Appeals Board £478		
Tamworth	£6,316	£3,509	£1,403			If Main Opposition Group less than 8 Members Deputy Leader's SRA £2,106		
Lichfield	£2,943	£735		£2,885	£735	Vice Chair Employment Committee £645		
Mean	£4,704	£2,487	£2,061	£3,794	£1,245			
Median	£4,742	£1,866	£1,403	£3,031	£735			
Highest	£9,249	£4,630	£4,620	£8,000	£3,000			
Lowest	£1,130	£735	£1,004	£1,435	£507			
Mean Ratios	32%	53%	14%	26%	33%			

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