

Report of the Independent Remuneration Panel for Westmorland and Furness Shadow Authority November 2022

1. Introduction

1.1 The Panel was established in October 2022 tasked with reviewing the current Members Allowance Scheme adopted by the Westmorland and Furness Shadow Authority at their meeting on the 17 May 2022 and recommending a new scheme to take effect from Vesting Day in April 2023. We have met on two occasions and had the opportunity to hear direct from elected members and the Interim Chief Executive, receive written submissions and review a number of background papers. This, the first of our formal reports, deals with our proposals in respect of the current Members Allowance Scheme for the civic year 2022/23 when the Authority is operating in Shadow Form in preparation for taking on the full responsibility of a new unitary Council with effect from 1 April 2023.

2. Background to Local Government Reorganisation

2.1 Local Government reorganisation within Cumbria involves the dissolution of the County Council and the six district Councils to create two new unitary authorities. The newly created Westmorland and Furness and Cumberland Councils will take over all the functions and legal responsibilities of the former authorities from Vesting Day in April 2023.

2.2 Elections to the Shadow Authority for Westmorland and Furness were held in May 2022 with 65 members elected to a five year term of office. The focus of the Shadow year is to prepare for Vesting Day ensuring that existing public services continue to be delivered on Day 1 and that budgets and plans are prepared to take over the functions and responsibilities of the former authorities including the transfer of staff, buildings and assets. It is important to understand that during its shadow year the Shadow Authority has no responsibility for the delivery of services and that existing Councillors within the sovereign Councils remain the point of contact for the public and representation on local bodies and partnerships.

2.3 During its shadow year the Shadow Authority has a limited number of member bodies:

- Full Council – meeting to approve major plan and policies, the Council’s Budget, Constitution, Council Plan and key senior officer appointments
- Cabinet – meeting as the key decision making body with responsibility for future service delivery and for recommending matters for the Shadow Authority to consider
- Senior Appointments Committee – meeting to recommend the most senior appointments to the new staffing structure
- Standards Committee – meeting as required to consider complaints under the Code of Conduct and recommending to the Shadow authority the appointment of Independent Persons under the Localism Act 2011
- Overview and Scrutiny Committee – meeting to perform its statutory function of holding the executive to account, reviewing plans and policies and undertaking task and finish reviews

2.4 Training and Briefing of Councillors in preparation for their new responsibilities is also taking place throughout the Shadow year.

3. Background to the current Scheme of Members Allowances

3.1 At the first meeting of the Shadow Authority on 17 May 2022 members reviewed the Members Allowance Scheme recommended by the LGR Independent Remuneration Panel in respect of both Westmorland and Furness and Cumberland Councils and resolved:

- (1) the report be noted;
- (2) the recommendations of the Independent Remuneration Panel and the Scheme of Member Allowances which it has proposed (Appendix 1) to be adopted for the shadow year with effect from the 9 May 2022 had been considered;
- (3) in the light of the limited time that the Independent Remuneration Panel had to collect evidence for the scheme, the lack of opportunity for member engagement and given the significant disparity with comparator councils, the Joint Committee cannot recommend to the Westmorland and Furness Shadow Authority to adopt, in its entirety, the proposed Scheme at its inaugural meeting for the shadow year;

(4) the Shadow Authority is recommended to immediately authorise the Interim Monitoring Officer to advertise the recruitment of an Independent Remuneration Panel of 5 members for the Council to consider a Scheme of Members' Allowances to be adopted by Westmorland and Furness Council; and

(5) the Shadow Authority as an interim measure, adopts the scheme to pay the basic allowance as proposed, subject to immediate review. Due to the points noted in (3) above, the scheme for payment of all Special Responsibility Allowances are set at zero, pending the immediate review. Allowances will be adjusted and back-dated as soon as the Westmorland and Furness Independent Remuneration Panel (as proposed in 4) has reported and recommendations adopted.

4. Scope of Review and Approach of the Panel

4.1 Following our appointment as a new six member Panel we met on the 9 November 2022 for our inaugural meeting and to consider our approach to the first task of the Panel, which was the review of the current Members Allowance Scheme. We were provided with all the reports to the Shadow Authority and Minute extract from May 2022 and had the benefit of a short presentation from Caroline Elwood, the Interim Monitoring Officer, explaining the background to LGR and the role of the IRP. We were also able to ask questions and hear advice from Pam Duke, the section 151 Officer Designate for the new Authority.

4.2 We agreed that the scope of our review would be;

- Is the North Northamptonshire Allowance a reasonable comparison for the purposes of determining the level of allowances paid to Westmorland and Furness Members in the shadow period or is there a more appropriate comparison? (see note)
- Is it appropriate that Members are paid allowances at 50% of the base level set during the shadow period or should a different percentage be applied? Should this vary for different roles?
- Does the level of Special Responsibility payments properly recognise the work involved in establishing the new Authority by Vesting Day?

Note: The Interim Monitoring officer subsequently clarified to Councillors that we were asking for views on “*Whether the level of allowances recommended to the Shadow Authority in May were reasonable or whether there are more suitable comparator schemes*” there being some doubt on further investigation how much the original Panel had relied on the figures within the North Northamptonshire scheme.

4.3 We asked for additional information to be provided to our next meeting including:

- Political split/proportionality of all 65 members on the Shadow Authority
- Breakdown of those members also elected to sovereign councils
- List of Cabinet Portfolios
- Up to date timetable of meetings
- Details of the existing Members Allowance Scheme across all sovereign Councils (all of Cumbria) but to include Lancaster City, Preston City and Lancashire County Council
- Invitations to be extended the Chief Executive, a representative from KPMG and from the LGA to explain the work involved in preparing for unitary status together with the Leader of the Shadow Authority.
- All shadow authority members to be advised of the scope of the first phase review
- Details of comparator Councils which the original IRP viewed to be provided, together with any other appropriate comparator Councils.

4.4 We agreed to meet again on the 23 November 2022 and to invite all Councillors who wished to do so to appear before the Panel either in person or online or to make a written submission.

5. Evidence to the Panel

5.1 We met for our second session on the 23 November 2022 and were supported by Caroline Elwood Interim Monitoring Officer for Westmorland and Furness, Lisa Tremble Monitoring Officer for Eden Council and Paul Sutton Interim Section 151 Officer for Westmorland and Furness.

5.2 The focus of our second meeting was to consider the additional information circulated with the Agenda papers and to hear from a number of individuals who had taken the opportunity to appear before us

or to make written submissions. We heard from a variety of individuals including the Leader, Deputy Leader, Cabinet Members and non-executive Members, the Chair of the Council and the Chief Executive Designate. We received a number of written representations from Individual Councillors, including a detailed submission on behalf of the Labour Group and from KPMG outlining their support to Informal Cabinet. There were no representations from the Conservative Group, either in person or written, or the Independent/Green Group.

5.3 We were very grateful to all those individuals who did make submissions to us and found their evidence insightful and enlightening. Taken as a whole, their evidence painted a very clear and helpful portrait of the role of a Councillor during the Shadow Year from a variety of different perspectives and really brought to life both the enormity and complexity of the task and how it impacts upon the different member roles. Everyone who spoke to us, or who made written submissions, had clearly taken the trouble to reflect carefully on the points they wished to raise. We found individuals to be measured and reasonable in their approach, happy to answer our questions frankly and fully and to assist us with our task as much as they could.

5.4 Although we had tried to be clear, by circulating our Terms of Reference to participants, that our first task was to review the current scheme, inevitably points were raised which we felt were more properly for us to consider when we come to make recommendations on the scheme for 2023/24. We intend to return to a number of issues which were raised before us when we start the second phase of review.

5.5 In addition to the representations we received, the Panel had the benefit of all the information which we had requested at our earlier meeting with our agenda papers including comparative data on Members Allowances for all sovereign Councils in Cumbria and a number of other comparator authorities including Lancaster, Lancashire County Council, Preston, Central Bedfordshire, Cheshire East and West, Cornwall, Dorset, East Riding of Yorkshire, North and West Northamptonshire and Northumberland, Wiltshire, Fife and South Lanarkshire. We also had a long schedule of comparator Councils based on different criteria, such as population, rurality and more recently formed unitaries. The Panel also had access to the recent decision by the Cumberland Shadow Authority in respect of their Members Allowance Scheme for the shadow year.

5.6 After spending the whole of our second session listening to representations and considering the written submissions we were satisfied as Panel that, together with the data provided in advance with our papers, we had sufficient information to be able to make our recommendations and did not need to meet for a third session.

6. Recommendations

6.1 We agreed as a Panel it was important to take an evidence based approach to our decision making and accordingly make the following recommendations to the Shadow Authority:

6.1.1 SRA Allowances – Amounts

We note that all Special Responsibility Allowances were set at NIL in May 2022 pending their review by a newly formed IRP. We had no specific representations as to an appropriate level of individual SRA's, nor was our attention drawn to specific comparators. We are satisfied that the SRA allowances are appropriate for the Shadow Year and we do not therefore propose at this stage to change any of the recommended figures for the level of Special Responsibility Allowances which were put forward by the original IRP (and which are set out fully at Appendix1) with the exception of the Chair of the Overview and Scrutiny Committee. We did hear evidence that the proposed allowance of £1000 did not reflect the level of responsibility of this post holder and undervalued this role, we therefore recommend that this should be increased to £3000. This figure is based upon a comparison of the SRA's paid to other Councils in Cumbria as follows:

Council	Amount
Cumbria CC	£10796.97
Carlisle City	£4497
Barrow Council	£4229.09
Allerdale Council	£2720.71
Copeland Council	£2000
Eden Council	£1986
South Lakes Council	£1863

6.1.2 SRA Allowances – 50 % Discount

We heard repeatedly from a variety of sources that the burden on those with Special Responsibility Allowances was significant in the Shadow Year. This was most specifically and clearly illustrated in the case of Cabinet Members who were meeting regularly in a variety of forums, both informally, and also formally as the Cabinet as a decision making body. Extensive preparations are now underway for vesting day with decisions and approvals required on a host of issues. This has impacted on the number of meetings, and therefore Chairing, of the Shadow Authority, the need to convene Senior Appointment Committees to make senior staffing appointments and on the work of the Overview and Scrutiny Committee in particular. Accordingly we were satisfied as a Panel that there was compelling evidence of significant responsibility and time commitment from SRA holders and that it was appropriate to recommend that Special Responsibility Allowances should be paid at 100% of the recommended figure of the allowance which we agree should be backdated to the start of the Shadow Year, ie 9 May 2022

6.1.3 Basic Allowances – Amount

We were satisfied that a Basic allowance of £12000 for all Shadow Members was appropriate for the Shadow Year. This is currently being paid at 50% of the full allowance so that each member receives an annual figure of £6000. This is to reflect the fact that in its shadow year the Shadow Authority has no responsibility for the delivery of services and that existing Councillors within the sovereign Councils remain the point of contact for the public and representation on local bodies and partnerships. Although we heard that the public did contact members on constituency matters, some of this is likely to be due to the fact the same individual hold roles in both the Shadow Authority and Sovereign Councils. We did not have any representations that it was inappropriate to pay the Basic Allowance at 50% of the full allowance (indeed we had representations that this was an appropriate reduction) and accordingly we do not propose to alter this percentage payment which we feel is a fair reduction in all the circumstances.

6.2 The Panel wish to stress that the proposed allowances recommended in this report do not set any precedents and are a starting point for the wider review which we will undertake for a new scheme of allowances to be considered for adoption when the Unitary Authority

commences in April 2023. We will return in detail to the comparator data and information we have been provided with at that stage and invite further representations on how the work of the new Council will differ post vesting day.

6.3 Finally, we noted that members had referred to the question of renunciation at their earlier meeting in May. We are advised that any member is perfectly entitled to decline to take their allowance, whether there is mention of this in the Members Allowance Scheme or not. However for the sake of clarity we would remind Members the following paragraph is inserted in the scheme for the Shadow Year at paragraph 11:

Renunciation

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

Conclusion

We would like to thank again everyone who has supported the Panel in undertaking our initial review and recommend to the Shadow Authority the following changes (as set out in Appendix 1 to this report) to Schedule 1 to the Members Scheme of Allowances 2022/23.

Paul Jones

Chair of the Independent Remuneration Panel

November 2022

**APPENDIX 1
AMENDED MEMBERS ALLOWANCE SCHEME SCHEDULE 1**

Basic Allowance

Allowance	Original IRP Proposal	Original Shadow Period at 50%	Revised Recommendation
All Councillors	12000	6000	6000 (at 50%)

Special Responsibility Allowances (SRA) All currently set at NIL

Allowance	Original IRP proposal	Original Shadow Period at 50%	Revised recommendation (at 100%)
Leader of the Council	21000	10500	21000
Deputy Leader	11229	5614.50	11229
Chair of the Council	4887	2443.50	4887
Cabinet Portfolio holder	6735	3367.50	6735

Allowance	Original IRP proposal	Original Shadow Period at 50%	Revised recommendation (at 100%)
Chair of Overview and Scrutiny	1000	500	3000
Chair of Standards Committee	500	250	500
Chair of Senior Appointments Committee	500	250	500
Group Leaders - 2 nd biggest group All other groups (NB a group is a min of 5 councillors)	4500 1128	2250 564	4500 1128
Co opted Members	NIL	NIL	NIL

Notes

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

2. No Councillor shall receive more than one Special Responsibility Allowance.