

NORTH LINCOLNSHIRE COUNCIL

**ANNUAL MEETING OF THE
COUNCIL**

MEMBERS' ALLOWANCES - REMUNERATION PANEL

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To refer the report of the Independent Remuneration Panel to Council to enable it to approve a revised scheme of members' allowances.

2. BACKGROUND INFORMATION

- 2.1 The council is required to make an annual scheme for members' allowances. It cannot make or amend a scheme without first considering advice from the Independent Remuneration Panel.
- 2.2 This is the ninth year that the Panel have considered members' allowances. The Panel consists of members representing the multi-faith communities, the voluntary sector and business communities. The Panel now consists of five members namely Mr John Hayes, Mr Rashpal Nijjar, Mr Brian Pettifer, Mr Gordon Rowlands and Ms June Stevens.

3. OPTIONS FOR CONSIDERATION

- 3.1 The Remuneration Panel's report is attached. The Panel has met on numerous occasions which included interviews with the Leader of the Council the Leader of the Opposition and six other members of the council. In addition written representations were received from one other member. It has discussed a number of issues relating to the scheme and has made a number of recommendations.
- 3.2 The regulations provide that the council must "have regard to the recommendations" of the Panel when making a scheme. This allows the council if it wishes to adopt the recommendations in full or to vary the recommendations so long as it has regard to them.

- 3.3 The council must now consider the recommendations of the Remuneration Panel and determine a revised scheme. This scheme can be introduced from 14 May 2008.

4. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 4.1 Financial - The recommendations of the Remuneration Panel will be contained within existing budgets.

5. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

- 5.1 There are no statutory implications.

- 5.2 Environmental - The proposals contained in the attached report relating to car mileage and cycling will benefit the environment.

6. OUTCOMES OF CONSULTATION

- 6.1 No specific consultation is required. However, Leaders of both political groups on the council and a number of other members have been consulted by the Panel as part of its work.

7. RECOMMENDATIONS

- 7.1 That the Remuneration Panel be thanked for its report.

- 7.2 That the council consider and have regard to the recommendations of the Panel and approve a revised allowance scheme to take effect from 14 May, 2008.

- 7.3 That appropriate officers publicise the scheme in accordance with the 2003 regulations.

SERVICE DIRECTOR LEGAL AND DEMOCRATIC

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Background Papers used in the preparation of this report:

Local Government Act 2000
Members Allowance Regulations
Report of the Elected Members Remuneration Panel

ELECTED MEMBERS' REMUNERATION PANEL REPORT FOR NORTH LINCOLNSHIRE COUNCIL 2008/9

1. BACKGROUND

- 1.1 This is the ninth report of the Remuneration Panel. Since its report to the Annual Meeting of the Council on 23 May 2007, the Panel has met on a number of occasions. The Panel's work has been conducted on the basis of the principles of openness and accountability. As part of its role and so as to familiarise itself further with the council's structures, the responsibilities of individual post holders and the demands placed on councillors in general it has interviewed the current Leader of the Council and the Leader of the Main Opposition Group. For the first time the Panel also invited any other member of the council to attend a meeting to raise any key points or make any comments on the Remuneration Scheme. Six members of the council attended the Panel's meeting on 5 March 2008 and one other member submitted a written response. As in previous years, the Panel received information comparing this council's remuneration scheme with other similar unitary councils. In addition, the panel was also provided with information about pensions for members and other general information.
- 1.2 The Panel noted that the council when considering its report in May 2007 had broadly agreed the recommendations, including the placing of posts which attract special responsibility allowances into groups. The council had, however, decided that the chairs of the Council's Scrutiny Panels should be remunerated at the same level as Cabinet members. Appendix A sets out the current schedule in detail with proposed changes highlighted in bold text.
- 1.3 The Panel now feels that it has at this stage accommodated the present structure of special responsibility allowances into appropriate groups. However, the Panel continues to believe that the Chairs of the Scrutiny Panels and the Planning and Licensing Committees should be placed in a lower group, based on the ranking exercise carried out in 2007/2008. In addition comparisons with 31 other unitary councils indicate that these posts are regarded as having less responsibilities than cabinet members and are remunerated accordingly. It therefore feels that they should be included in group 5 and remunerated at that level which this year is £9,024. In order to lessen the impact of the reduction from £12,000 to £9,024 the Panel recommends

that this should be done on a phased basis during 2008/2009 and 2009/2010. The Panel also recognises and endorses the present arrangement restricting members to claiming no more than one special responsibility allowance.

- 1.4 Arising out of the representations received on 5 March the Panel considered the level of remuneration paid to the leader of the council. The panel compared the leader's remuneration with that of 31 other unitary councils and particularly the three other such councils in the Humberside area. The Panel acknowledged that the leader of the council had a very responsible role both within North Lincolnshire and as a wider representative of the council and area both regionally and nationally. The post of leader stands alone because of its uniqueness. The Panel feels, therefore, that this should be recognised. The Panel recommends that the post of leader of the council should therefore be remunerated at a level equivalent to North East Lincolnshire Council i.e. £21,528.
- 1.5 In relation to the basic allowance paid to all members the panel considered this against the background of information supplied regarding other authorities of a similar size and nature. On the basis of the information provided, which compared North Lincolnshire Council with 31 other unitary councils, it concluded that the basic allowance paid by the council was fair given the size of the council.

However, the Panel proposes that the basic allowance should increase in 2008/2009 by 2.5% in line with the most recent local government pay settlement. This general increase should also be applied to special responsibility and other allowances. Figures incorporating these increases are set out in the appendices.

- 1.6 The Panel has not been able to devote as much time as it intended to consider the role of lead members. It will undertake more detailed work about this role in 2008/2009. However, it has considered the officers in the Majority and Minority Groups. In particular, it has looked at the respective roles of the Deputy Leader of the Majority Group in relation to the Deputy Leader of the Opposition Group. The Panel feels that the respective responsibilities of these posts should be reflected in the level of responsibility and remuneration. It therefore recommends that the Deputy Leader of the Opposition Group should be included in group 6 and paid in accordance with the rate of that group i.e. £7,176.

- 1.7 In 2007/2008, the Panel had not been able to spend as much time as it intended considering pensions for members. It has now addressed this issue and research has been carried out by officers in relation to introducing pensions for members. The Panel feels that members of the council should be eligible to join the pension scheme. The Panel is of the view that this will provide an incentive for younger members of the community to come forward to stand as elected members for the council in the future.
- 1.8 Members of the council will be aware of the changes being made to the Local Government Superannuation Scheme with effect from 1 April, 2008, with contribution rates ranging across seven bands from 5.5% to 7.5%. However, the regulations relating to elected members have yet to be revised. Consultation on revised arrangements is due to take place later this summer. The East Riding Pension Fund has suggested therefore that the council should wait for the review of member arrangements to be completed before admitting councillors into the scheme. If the council agrees the Panel's recommendations in relation to pensions, interested and eligible members should be admitted to the scheme as soon as the results of the review are known.
- 1.9 The Panel again noted that training in planning and licensing was compulsory for members sitting on those committees and that members were continuing to receive an individual assessment of their training needs. Member development and training was an ongoing issue and it notes with pleasure that the council had set up a Member Development Steering Group which consists of members from across the political spectrum together with appropriate officers. It also notes that the role of the group is to drive forward training and development for all members. This is vitally important given the continued changes being made in local government and the increasing complexity of the issues with which members have to deal.
- 1.10 The Panel also feels that providing members with the necessary equipment to carry out their roles is vital. It noted that members had access to council mobile phones and laptop computers. Technology is constantly changing with new IT devices such as Blackberrys being readily available. However, the Panel believes that these should be considered by the Chief Executive as part of the provision of tools for members, rather than being seen as part of the overall remuneration package. The Panel

also encourages members to use council mobile phones because of the excellent contract package.

- 1.11 The council's attention is drawn to Appendix B which sets out the current subsistence rates. The Panel agrees that these should be increased by 2.5% in line with the most recent local government pay settlement. In the current climate of openness and accountability, the Panel strongly urges the council to reconsider the basis on which subsistence rates are paid and to introduce a system based on actual expenditure up to the maximum allowance supported by receipts. The use of receipts would also assist the council by enabling VAT to be reclaimed. In order to keep paperwork to a minimum receipts would not be required for expenditure below £3.00. Subsistence allowances is an area the Panel will consider in more detail in 2008/2009.
- 1.12 In relation to travel allowances the Panel believes that the motor vehicle mileage rates paid should be harmonised with those paid to council officers and uplifted in line with increases agreed nationally in the future. For 2008/2009 these are 42.9p per mile on vehicles up to 999 cc and 46.9p per mile on vehicles above that figure. As a further encouragement to car sharing the Panel recommended and it was accepted in 2007/2008, that an additional 5p per mile be allowed to be claimed for each passenger carried who would otherwise receive an allowance.

In relation to motorcycles the panel recommends the use of the officer rates set out in Appendix B with appropriate uplifts as agreed from time to time. In order to further encourage green issues, the Panel also proposes an increase to the cycle allowance as detailed in that appendix. The full proposals regarding mileage rates and public and hired transport are set out in Appendix B to the report.

- 1.13 In its report in 2007/2008 the Panel recommended and the council had accepted that a maximum of 10,000 miles should be set as being eligible for claim. Representations have been made about this maximum. The Panel has, therefore, given careful consideration to the matter. It has concluded on the basis of information about mileage claimed by members and the accessibility of modern technology that the figure of 10,000 miles should be retained as the maximum eligible for claim in 2008/2009.

- 1.14 A number of co-optees or added members sit on various council panels or committees. They are currently paid £20.50 per meeting attended. This figure had been agreed some years ago and has changed very little. Comparisons with other neighbouring authorities show that the council is out of step with these authorities and that the figure should be reviewed. Co-optees contribute to the work of the council particularly in relation to the scrutiny panels. Having considered this and the rates paid by other councils the Panel feels that the co-optees allowance should be increased to £41.00 per meeting attended.
- 1.15 The Panel would like to thank the Leader of the Council, the Leader of the Opposition and all those members who made representation either by attending a meeting or in writing for their contributions. The Panel also thanked those officers who had provided it with support.

The Panel recommends its report to the council. If the council decides not to accept any of its recommendations the Panel would be grateful for feedback following the annual meeting, in order to assist its work next year.

2. RECOMMENDED

- 2.1 Council is asked to consider the proposals as regards the post of Leader of the Council, special responsibility and basic allowance as referred to and set out in paragraphs 1.2, 1.3, 1.4, 1.5 and 1.6 and Appendix A to the report.
- 2.2 Council is asked to consider the proposal that members be eligible to join the Local Government Pension Scheme as detailed in paragraphs 1.7 and 1.8 as soon as the review referred to is completed.
- 2.3 Council is asked to consider the Panel's proposals regarding subsistence and travel arrangements as set in paragraphs 1.11, 1.12 and 1.13 and Appendix B.
- 2.4 Council is asked to consider the proposals as regards co-optees allowance as set out in paragraph 1.14 and Appendix A.
- 2.5 Council is asked to note the Panel's intentions and views regarding future work and also its comments in relation to the ongoing need for encouraging development and training for members and the provision of equipment.

APPENDIX A

	2008/2009	
Group	Special Responsibility Allowance	Proposed New Allowance £
1	Leader of the Council	21,528
2	Deputy Leader of the Council	14,256
	Mayor	14,256
3	Cabinet Members (x 6)	12,300
4	Secretary to Majority Group	12,300
5	Chair of Planning Committee	9,024
	Chair of Licensing Committee	9,024
	Chair of Scrutiny Panels (x 4)	9,024
	Leader of Minority Group	9,024
6	Chair of Audit Committee	7,176
	Deputy Mayor	7,176
	Deputy Leader of Minority Group	7,176
7	Vice Chair of Planning Committee	6,000
	Vice Chair of Licensing Committee	6,000
	Vice Chair of Scrutiny Panels (x 4)	6,000
	Secretary to Minority Group	6,000
	Lead Members (x 9)	6,000
	Appeals Committee	£612 per annum
	Co-optees Allowance	£41.00 per meeting attended
	Basic Allowance	£7488
	Dependants' Carers Allowance (including Child Care)	Allowance based on submitted receipts and use of a registered minder where required

APPENDIX B

(1) Mileage Rates

Travel be paid at the following rate:

Motor vehicle - 42.9p per mile up to 999 cc
46.9p per mile for 1000 cc and above

Motorcycles Up to 49 cc - 12.4p per mile
 50 cc to 125 cc - 18.8p per mile
 126 cc to 250 cc - 27.0p per mile
 251 cc to 500 cc - 35.5 per mile
 500 cc and above - 39.2 per mile

An additional 5p per mile can be claimed in respect of passengers carried to whom a travelling allowance would otherwise be paid.

A maximum of 10,000 miles has been set as eligible for claim.

In addition, the actual cost of tolls, ferries and parking fees may be claimed. Receipts, must be provided. Discounted Humber Bridge tickets are available from the Political Group Offices and should be used.

(2) Public Transport

If you are using public transport for journeys out of the council's area you may use standard class travel only. Wherever possible travel arrangements should be pre-booked in advance in order to allow better access to discounts. Only as a last resort should warrants for rail travel be used. These can be obtained through the group office. Receipts or used tickets (train tickets, tube fare tickets etc) should be retained and produced as receipts. The reimbursement of public transport costs is not taxable or subject to NI contributions.

(3) Hired transport

If you wish to hire a vehicle, please contact your group PA who will ensure that the best possible rates are obtained.

(4) Bicycle - 30p per mile.

(5) Subsistence Rates

Actual expenditure, supported by receipts, up to a maximum will be reimbursed. (Receipts need not be provided for expenditure below £3.00).

	Criteria	Maximum Rates
Lunch	More than 4 hours absence including the whole of the period between 12 noon and 2.00 pm	£7.50
Dinner	More than 4 hours absence ending after 7.00 pm	£9.25

(6) Overnight rates

Actuals, claimed to a maximum of

London	£100.50
Elsewhere	£88.10
Out of pocket expenses	£4.39 per night
Overseas allowance	£20.50 per night

Accommodation should be pre booked by group office staff in order for the council to reclaim VAT and take advantage of discounts.