

## **NORTH LINCOLNSHIRE COUNCIL**

### **COUNCIL**

## **MEMBERS' ALLOWANCES - REMUNERATION PANEL**

### **1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To consider the report of the Independent Remuneration Panel in order to approve a scheme of Members' Allowances from the Annual Meeting of the Council in May 2019, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. (the Regulations).

### **2. BACKGROUND INFORMATION**

- 2.1 The council is required to make an annual scheme of Members' Allowances or set a scheme for a further reasonable period; previously the Council approved a scheme for a period of four years 2015/16 to 2018/19 – the full term of the current elected administration. The Council cannot make or amend a scheme without first having regard to the recommendations of the Independent Remuneration Panel.
- 2.2 The Independent Panel comprises members representing the voluntary and business sectors of the local community. The panel currently consists of four members. (please see the panel's report).
- 2.3 The current Members' Allowances Scheme is attached as appendix 1 of the Independent Remuneration Panel's report. It includes a set Basic Allowance for all Members of the Council, defined Special Responsibility Allowances (SRAs), a Co-optees Allowance, Mileage Allowances including a level of mileage rates claimable to a maximum of 5,000 miles at a recommended rate approved by Her Majesty's Revenue and Custom (HMRC), associated Public Transport, Hired Transport and Overnight Rates. The Scheme does not provide for members to claim for subsistence. All elected members continue to use the digital car plan e-claims software system for making claims for travel allowances, also used by officers.
- 2.4 The Independent Remuneration Panel has met on three occasions since September 2018. Its work has included comparing and benchmarking North Lincolnshire Council's Scheme with several similar sized unitary and other local and national councils, providing the opportunity for members to comment on the Scheme and holding

interviews with the Director: Governance and Partnerships, both political group Leaders and executive, scrutiny and regulatory committee members and chairman.

### **3. OPTIONS FOR CONSIDERATION**

3.1 The Independent Remuneration Panel's report is attached to this report. The above regulations provide that the Council must "have regard to the recommendations" of the panel before amending or making a scheme. This allows the council if it wishes to adopt the recommendations, to vary them, or not include them in an approved scheme, as long as it has regard to them.

### **4. ANALYSIS OF OPTIONS**

4.1 The council is required to have regard to the recommendations of the Independent Remuneration Panel and approve a scheme for at least a year, or for a set reasonable period to be implemented from the Annual Meeting in May 2019. By not having regard to the Panel's recommendations and not approving a scheme, the Council will not comply with statutory requirements of the Regulations.

### **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY IT)**

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

5.2 Staffing, Property and IT - There are no implications associated with these areas.

### **6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY CRIME, RISK AND OTHER etc.)**

6.1 There are no other specific relevant implications. Please note paragraph 4.1.

### **7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

7.1 Not applicable

### **8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

8.1 Both political groups will be made aware of the contents of the Remuneration Panel's report prior to the meeting of the Council on 28 February 2019. There are no conflicts of interest.

## 9. RECOMMENDATIONS

- 9.1 That the local Independent Remuneration Panel be thanked for its work and report.
- 9.2 That the council consider and have regard to the recommendations of the Panel and approve a Members' Allowance Scheme for at least one year or for a reasonable defined period, to take effect from the Annual Meeting of the Council in May 2019.
- 9.3 That the approved scheme be published on the Council's website in accordance with the Regulations.

DIRECTOR: GOVERNANCE AND PARTNERSHIPS

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Date: 6 February 2019.

**Background Papers used in the preparation of this report** - Report of the Elected Members Remuneration Panel

**NORTH LINCOLNSHIRE COUNCIL**  
**REPORT OF THE INDEPENDENT REMUNERATION PANEL**  
**(MEMBERS' ALLOWANCES)**  
**2019/20**

**North Lincolnshire Independent Remuneration Panel –**

Mr R Nijjar, Mr B Pettifer, Mrs E Lidster and Mrs S Girling.

**1. The Council's Members' Allowances Scheme 2015-2019.**

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, a Members' Allowances Scheme was approved and set by the Council from the Annual Meeting of the Council 2015 for a four year period (elected term of office) up to the Annual meeting of the Council in 2019. A copy is attached as appendix 1.

**2. Independent Remuneration Panel's Findings and Recommendations.**

**A Current Open and Transparent Scheme**

- 2.1 The Panel acknowledges that the Council's previous decision to set and publish a Members' Allowances Scheme for a four year elected term of office did provide the electorate with open and transparent information on the levels and types of allowances associated with all responsibilities carried out by elected and co-opted members for that full period. All members were also aware of approved allowances for that set period. It was noted that the scheme had remained in budget each year, with small reductions, and allowances claimed by all members continued to be published on the council's web site and in the local Telegraph on an annual basis.
- 2.2 All elected members continue to use the digital 'car plan e-claims' software system for making claims for travel allowances, which was effective and efficient software and supported monitoring and auditing requirements.

**Future Scheme**

- 2.3 The Panel emphasises the need to take into consideration continuing budget pressures and consequently, any adjustments to a future scheme should be self-contained with no additional expense.
- 2.4 The Panel's work carried out has led to **recommendation (1)** that the ongoing cost of living increase at December 2018 of approximately 2% should be applied to the Basic Allowance of a future scheme for all members (especially bearing in mind that the level of allowances has remained frozen over the previous four year period). This is at a cost of £5934 per year.

It is also the Panel's **recommendation (2)** that this cost should be offset by a reduction in the current level of the Special Responsibility Allowance (SRA) for

Lead Members, or by a reduction in the number of Lead Members. This could also reduce costs. The Remuneration Panel having regard to the statutory and constitutional responsibilities of Cabinet Members and other committee chairman/vice-chairmen/chairs, is of the opinion that although Lead Members provide valuable support and fulfil champion/ambassador roles for various people and services, they have no decision making responsibilities or statutory roles. Their level of SRA appears relatively high compared to other SRAs and their associated responsibilities within the current scheme.

The Panel acknowledges the important role the Ambassador for Steel and Heavy Industry had played locally during recent years, and **recommends (3)** that this role could now be expanded or renamed to include all business and enterprise across North Lincolnshire supporting the council's ambition as the Best Place to live, work and invest.

- 2.5 The Panel's work has led to its **recommendation (4)** that the current number and levels of other SRAs within the current scheme are proportionate and fit for purpose, and could be rolled forward into a future scheme. Remuneration levels within schemes adopted by other similar sized unitary and principal councils did vary with some applying a higher or lower allowance to some responsibilities, subject to frequency of all meetings and associated business. However, the balance between executive and non-executive functions appears consistent and a proportionate level of spend similar in most cases. Local preferences also have to be taken into consideration. Although all statutory roles and responsibilities have to be fulfilled, how these are applied locally remains at the discretion of councils so that their business can be carried out effectively and efficiently, achieving local ambitions and essential value for money. It also remains important that all roles and arrangements defined in the council's Constitution should be carried out where possible. All levels of remuneration will continue to be monitored by the Panel.

(The Panel highlights the likely need for further consideration of expected future government guidance and professional good practice emphasising or suggesting the introduction of 'independent chairmen' of Audit Committees, additional responsibilities of Overview and Scrutiny Chairmen/Chairs and enhanced supporting roles of Independent Persons for Standards Committees).

- 2.6 Regarding Travel Allowances, the Panel **recommends (5)** that the levels within the current scheme remain appropriate and consistent with recommended HMRC (Her Majesty's Revenue and Custom) rates and could be rolled forward into a future scheme. Consideration could be given to increasing Overnight Rates for London bearing in mind higher pricing levels in the capital, which should be self-contained within the scheme.

### **Increasing Responsibilities and Information Technology - Observations**

- 2.7 The panel acknowledges an increasing amount of time being spent by councillors in their 'ward councillor' role (especially on an evening) attending Town and Parish Councils, Neighbourhood Action Teams and other similar community groups for example, within their wards. This is time consuming with no additional allowance received for such activity and responsibility. However, this activity together with the increasing accessibility of councillors through available IT and mobile devices, and the expectation from the public to respond immediately is in the Panel's opinion, the role and responsibility of the 'modern day' councillor. A further allowance would be difficult to apply unless the basic allowance is increased

further; a mileage allowance is available when on council duty, and some SRAs cover responsibilities associated with some of this work in the local community.

It remains important that all councillors in this digital era continue to be 'given the digital tools' to carry out their work effectively. This would support and enhance their roles. Councillors' accessibility has increased, and using various IT mechanisms has also improved the opportunities for councillors to report and respond to ward and local issues immediately, and for supporting officers of the council to react, take action and respond quickly to councillors as and when required. The whole 'modern service package' is more effective, efficient, enabling and self-sufficient and councillors' roles must continue to be a key factor within the council's IT strategies. Once again, this increasing activity and accessibility will be monitored and any innovative self-contained allowance considered.

### **Member Training and Development - Observation**

- 2.8 The Panel emphasises that member training and development remains key to providing all councillors with ongoing knowledge and skills required to enable them to carry out their roles and responsibilities effectively, especially as decision makers who influence and shape the local place and services people desire and require. This also has to be an ongoing expectation of the electorate.

The Panel is aware that statutory training obligations are met for those councillors involved in planning, licensing and safeguarding functions. However, it remains concerned that some members do not receive training and in-house and local opportunities to do so have declined. Member training and development opportunities need to be rejuvenated and the desire and responsibility of members to attend expected and reinvigorated. Such personal and group development of skills and knowledge goes some way to underpin the roles and responsibilities associated with allowances received.

### **3 Recommendations**

- 3.1 That having regard to the Independent Remuneration Panel's report, a Members' Allowance Scheme based upon the current scheme attached as appendix 1 be approved as the scheme for 2019/20, or for a further reasonable period defined by council, subject to approval of implementing adjustments specifically recommended by the Panel in its **recommendations (1), (2), (3) and (5)** above.
- 3.2 That the council notes and gives consideration to the observations made in paragraph 2.7 and 2.8 above, and agrees any associated further action.

## MEMBERS' ALLOWANCE SCHEME

### Scheme of Allowances

The council's approved scheme of allowances payable to members of the council for 2018 – 2019 is set out below -

	2018/2019	
Group	Special Responsibility Allowance	Proposed New Allowance £
1	Leader of the Council	16,799
2	Deputy Leader of the Council	11,127
	Mayor	11,781
3	Cabinet Members (x 8)	10,162
	Chairman of Planning Committee	9,146
	Chairman of Licensing Committee	8,130
	Chairman of Scrutiny Panels (x 3)	8,637
	Leader of Minority Group	8,400
4	Chairman of Health and Wellbeing (Board) Management Group	6,040
	Chairman of Audit Committee	5,312
	Deputy Mayor	5,902
	Deputy Leader of Minority Group	5,563
5	Vice Chairman of Planning Committee	4,461
	Vice Chairman of Licensing Committee	3,965
	Vice Chairman of Scrutiny Panels (x 3)	4,213
	Lead Members (x 11)	4,957
	Ambassador for Steel and Heavy Industry	8,400
	Appeals Committee	£253 per annum
	Co-optees Allowance	£42.00 per meeting attended
	Basic Allowance	£6,874
		The dependants' carers allowance (including child care) will no longer be included in the scheme

(1) Mileage Rates

Travel to be paid at the following approved Her Majesty's Revenue and Custom (HMRC) rates -

Cars - 45p per mile

Motorcycles - 24p per mile

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

A maximum of 5,000 miles has been set as eligible for claim. Any mileage incurred by members in the course of their duties, including meetings where members are representing North Lincolnshire Council's interests, which involves travelling outside the boundary of North Lincolnshire will not count against the maximum amount of mileage claimable.

In addition, the actual cost of tolls, ferries and parking fees may be claimed. Receipts, must be provided.

(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. 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 - Travel to be paid at the approved HMRC rate of 20p per mile.

(5) Subsistence

Subsistence allowances will no longer be included in the member allowance scheme and members will not therefore be able to claim.

(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.