

**REPORTS OF THE MEMBERS' ALLOWANCES PANELS
OF THE CONSTITUENT UNITARY AUTHORITIES**

Appendix 4.1 – East Riding Council

Appendix 4.2 – Hull City Council

Appendix 4.3 – North East Lincolnshire Council

Appendix 4.4 – North Lincolnshire Council

**REPORT OF THE MEMBERS'
ALLOWANCES PANEL**

**TO THE EAST RIDING OF
YORKSHIRE COUNCIL**

JUNE 2013

REPORT OF THE MEMBERS' ALLOWANCES PANEL

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1 EXECUTIVE SUMMARY

1.1 This independent remuneration panel was established in 2001 by the East Riding of Yorkshire Council and this year reviewed certain aspects of the current Members' Allowances Scheme and puts forward for consideration by the Council the recommendations set out in this report.

1.2 The Panel consists of five East Riding residents who collectively have a wide range of experience encompassing business, local government, trade unions, academic institutions and the voluntary sector.

1.3 The report contains one recommendation which is set out in detail in the following sections and is summarised as follows:-

- (1) That the Chairmen of the Planning Committee be paid the same special responsibility allowance as the Overview and Scrutiny Committee/Sub-Committee Chairmen at £9,265.00 per annum and the Vice Chairman of the Planning Committee be paid an allowance in line with the Vice-Chairmen of Overview and Scrutiny Committee/Sub-Committees at £2,316.00 per annum**

2 INTRODUCTION

2.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 the Council has established an independent remuneration panel to provide advice on the Members' Allowances Scheme and the amounts to be paid. The Council must have regard to this advice in determining its scheme.

2.2 The Panel consists of five East Riding residents who collectively have a wide range of experience encompassing business, local government, trade unions, academic institutions and the voluntary sector. The Members of the Panel were appointed following public advertisements and are as follows:

John Waud, Goole
Peter Jordan, Bridlington (Chairman)
David Bellenie, Hessle
Michael Smith, North Cave
Beverley Porritt, Wetwang

2.3 Regulation 21 requires the Panel to produce a report to the Council making recommendations:

- a) as to the responsibilities or duties qualifying for special responsibility, co-optees, travelling and subsistence allowances.
- b) as to the amount of such allowances and the basic allowance.
- c) as to whether a carers' allowance should be payable and, if so, the amount.

amended.

- e) as to whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long it should apply.
- f) as to which Members are to be entitled to pensions and whether they should be calculated on basic or special responsibility allowances or both.

2.4 Members of the Panel have previously attended various Committee meetings to gain an insight into the workings of the Council. This gave the Panel a greater appreciation of how the committees operate and assisted in their work. Panel Members will continue to attend meetings to build up their knowledge of Councillors' work.

2.5 This year there were no fundamental changes which required review but the Panel did review a specific issue potentially affecting Special Responsibility Allowances. The Panel met on one occasion to consider this issue.

3 SPECIAL RESPONSIBILITY ALLOWANCES

3.1 The Leader of the Conservative Group asked the Panel to reconsider the special responsibility allowances paid to the Planning Committee Chairman and that of the Vice-Chairman of the Planning Committee.

3.2 Currently the Chair of the Planning Committee receives an allowance of £11,301 per annum and the Vice-Chair of the Planning Committee receives no special responsibility allowance.

3.3 The Panel last considered the allowance payable to the Chair of the Planning Committee in their Report of 2007 when it was made clear that the demands placed upon the Chairman of the Planning Committee were high due to the controversial and high profile issues that were dealt with by the Committee and the volume of representatives and separate contact that the Chairman had to deal with in relation to any one application. This position remains the same

3.4 This allowance compares to the Chairmen of the Overview and Scrutiny who receive £9,265 per annum.

3.5 However the Overview and Scrutiny function has now developed and flourished and the complexity and nature of the issues that the Sub-Committees and Review Panels deal with is also both controversial and high profile.

3.6 It is not suggested that the Overview and Scrutiny Sub-Committees should be raised but rather, in light of the current budget pressures affecting the Council that the Planning Committee Chairman Allowance be reduced to the lower level.

3.7 The Vice Chairman has a role to play in covering for the Chairman when absent but also in attending other events and functions along side the Chairman.

are paid the same as Overview and Scrutiny Chairmen and Vice Chairmen

Therefore the Panel recommends:

That with effect from 9 May 2013 (AGM) the Chairmen of the Planning Committee be paid the same special responsibility allowance as the Overview and Scrutiny Committee/Sub-Committee Chairmen at £9,265.00 per annum and the Vice Chairman of the Planning Committee be paid an allowance in line with the Vice-Chairmen of Overview and Scrutiny Committee/Sub-Committees at £2,316.00 per annum

4 FINANCIAL IMPLICATIONS

- 4.1 The Panel is conscious that its recommendations in this report will lead to an increase in the overall cost of the Scheme, which is estimated at £280 per annum in 2013/2014. It is anticipated that this increase can be absorbed by existing budgets
- 4.2 In making these recommendations the Panel is aware that the Council has one of the largest Unitary Authority areas in England and by population is the second largest in England after Bristol.

5. CONCLUSIONS

- 5.1 We have carefully considered the specific issues put to the Panel and believe that what we are putting forward is a reasonable reflection of the different workloads and level of responsibilities falling on Members of the Council.
- 5.2 This completes the Panel's work for this year and the Panel commends this report and its recommendation to the Council of the East Riding of Yorkshire.

**Peter Jordan
Chairman
20 June 2013**

**REPORT OF THE MEMBERS'
ALLOWANCES PANEL**

TO HULL CITY COUNCIL

MAY 2011

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES

1 INTRODUCTION

1.1 This report gives an executive overview and summary of:

- The work undertaken to date by the IRP
- The findings and recommendations that the panel are now making to the full Council

2 BACKGROUND

2.1 The panel has met on 7 occasions between October 2010 and January 2011 and formed some initial views. These meetings have been against a backdrop of the Council awaiting detailed announcements and subsequent decisions on their future spending levels and the panel have :

- Recognised in providing these initial recommendations the outline feedback given to them on the 5th November 2010 by the leaders of the Liberal Democrats, Labour, Conservative and Unionist parties when it was stated by the leaders that any recommendations should not result in an increase in current budgets given the anticipated economic situation.
- Further detailed information became available on the 5th January as to the severity of the financial cuts facing the Council and as a consequence the panel had to reconsider some of its initial views.
- The panel concluded its work following a meeting with Leaders on the 25th January 2011 where the initial report was provided and the panel sought to receive feedback from the Leaders on their work to date. In the main the Leaders were very supportive of both the work and the findings of the panel.

2.2 The panel in reaching its views:

- Researched and established with the professional support of Hull City Council officers, the basis of the current allowance scheme and current spending levels.
- Undertook benchmark analysis against external comparator authorities which in the main comprised members of the 'audit family' and internal job evaluation analysis using the HCC Councillor profiles
- Had reference to wider information through the Tax Payers Alliance and the LGA

3 FINDINGS RECOMMENDATIONS AND RATIONALES - These are provided for each of the respective allowances under the current scheme.

3.1 Basic Allowances:

In 2003 the basic allowance was constructed on the basis of:

- A direct linkage to SCP 14/15 of the national Pay Scales for local government employees
- Discounting the salary figure for SCP by 25%, in order to reflect the public service element of an elected member's role. This means ,in effect, it recognised that 27.5 hours of Councillor's time is compensated
- An inner city element for travel expenses

The breakdown of this figure being: £10,286 remuneration + £361 travel = £10,647 which was index linked for four years and now currently stands at 11,643.

Given that from 2007/08 for the last four years this allowance of £11,643 has been frozen and clearly the impact is that the value of the link to the National Pay Scales has been eroded to the point that currently the salary linkage is equivalent to SCP 11/12.

Using the HCC role profile and HCC job evaluation scheme the panel has established that the basic Councillor role should be linked to a minimum of SCP 15.

The panel feel that the 27.75 hours recompensed is fair given the requirements of the HCC Governance/Committee structure and the Council's approach to community engagement and the time commitment this places on its Councillors. The questionnaire undertaken by the HCC Democratic Services section in March 2009 identified that Councillors felt they were working on average 35 to 50 hours per week.

The panel did recognise that the 27.75 hours per week is above the national average for time commitment from Councillors as determined by the LGA in 2008 of 22 hours but remain satisfied that the demands on Hull Councillors are above average.

With regard to the travel allowance component the panel believe that it should now reflect that there will be a need for all employees and Councillors to be reimbursed in the future on a more not-for-profit basis and that the HMRC national mileage rate should be factored into the basic allowance. There were wider issues that have been recognised by the panel namely:

- The basic allowance should be at a level to attract appropriately qualified individuals to become Councillors in the future
- A proposal to continue to freeze the basic allowance again would in the long term make it very difficult to bring back the allowance to a fair basis because to do so would be well above inflation rates prevailing at that time
- Councillors have incurred increased personal costs through providing certain aspects of their own IT
- Councillors have effectively had a reduction in their remuneration in real terms over the last four years

Recommendations

Prior to the funding announcement on the 5th January, the panel were minded to propose the following recommendations:

- Linkage to SCP 14/15 frozen at 1st April 2009 pay scales and to be linked to subsequent national pay increases for local government employees
- A discounting of the mileage element back to the HMRC mileage rate which effectively is a 25% reduction

Remuneration therefore would be	£11,890
Travel etc.	£325
Total	£12,215
Current	£11,643
Difference	£872 (7.5% increase)

This to have become effective from May 2011.

Whilst the panel recognised that this could be perceived as a pay increase at a time of local government pay restraint, we would view it as a remuneration realignment and it has been clearly linked to the April 2009 pay structure for local government staff. Furthermore the increase spans at least a five year period.

The panel are equally aware that external criticism could be made from a benchmarking perspective when comparing solely the actual basic allowance with other comparator authorities. The panel believes this to be too narrow a comparison and have recognised that on a cost per population basis is close to the average spend. In addition, Hull City Council meets more often than many similar Councils, thus increasing workload.

Our revised recommendation is to now maintain the freeze of the basic allowance at £11,643 but further recommend that when the pay freeze for local government employees is lifted, the basic allowance should automatically move to £12,215 plus the value of the inflationary increase applied to the local government pay scales from April 2009.

3.2 Special Responsibility Allowances

The panel examined both the number of 'positions' that receive the SRA and the multiplier applied to the basic allowance for these positions.

It was identified to the panel that chairing the following did not attract an SRA:

- Council
- Appeals Committee
- Civic Committee
- Member Panel for Officer Employment Procedure Rules
- Independent Members Appointment Panel
- Corporate Trustees Committee
- Kingstown Works Limited Shareholding Committee
- Audit Committee (see section 3.3)

and the panel feel that they should continue not to attract the SRA for the reasons below:

The Council is chaired by the Lord Mayor who receives a specific allowance (which is not part of the Member's Allowance Scheme).

The Corporate Trustee Committee and the Kingstown Works Shareholding Committee are chaired by Cabinet members who already receive SRA.

In respect of the remaining bodies listed above, we have not received or been able to establish any overwhelming argument which would point to the Chairing of these Panels/Committees receiving a set SRA. The belief of the panel is that the role of the elected member is multi-dimensional and the effective representation of their constituents requires the member to have myriad skills and abilities which would make any full financial recompense for each councillor to be unrealistic at best. The panel will take any feedback from the Leaders on this issue.

The panel examined the basis of other authorities' SRA payments. The payment in monetary terms for SRAs in Hull are felt to be fair by comparison however on cursory examination the Leader of the Council's allowance does seem to be below that of comparator authorities.

Our initial view and final recommendation remain the same, namely to 'freeze' the current monetary level of SRA being paid and not to apply the current multiplier approach to the basic allowance. This SRA to be frozen for the same period that the local government employees pay is frozen for and then a further review to take place by this panel as and when the LGA pay scales are increased in the future (this would include the Leader).

From May 2012 there will be Policing Panels which will have Members from HCC on it and nearer that time it will become clearer whether the Council may have to consider some remuneration or whether this will be a matter for the Policing Panel to resolve.

The panel were made aware that Cabinet members have taken a voluntary 5% reduction in their SRA. This is a personal decision of the Cabinet and the panel would not be seeking to incorporate the 5% into its recommendations.

3.3 Co-optees Allowance

- (i) The panel have established that a co-optee basically fulfils the same role and responsibilities when attending meetings as that of a Councillor with no special responsibilities. As the panel had been able to establish a revised basic allowance this could have been converted into an hourly rate of £8.24 and we would have proposed the following:

Increase from £25 to £33 for half a day (four hours or less)

Increase from £50 to £66 for a full day (over four hours)

Given our recommendation for basic allowance is to maintain the freeze, this should now also be applied to the co-optees allowance at £25 and £50 but further recommend that when the pay freeze for local government employees is lifted, they should automatically increase to the £33 and £66 plus the value of the inflationary increase applied to the local government pay scales from April 2009.

- (ii) In respect of the Chair of Standards the current £1,500 per annum allowance was determined in 2006 having regard to comparisons made against other authorities and in recognition of the time element that would be required.

The panel has established the current and future time commitment of this position which we now believe to be in the region of 30 hours per annum to which an hourly rate has been applied equivalent to that of the Chair of Scrutiny and Overview **giving a recommended allowance of £494, a reduction of £1,006 against the current sum. This figure to be reviewed as and when the SRAs are reviewed.**

- (iii) It has been identified that in 2009 there was a recommendation that SRA should be paid to the Chair of the Audit Committee but at present there is no specific allowance and currently the Chair of Standards undertakes technically with no recompense.

The panel endorses that an allowance should be established for this position and would give the Council the option to appoint a separate Chair from either an external co-optee or a Council Member.

Once again the panel has sought to identify the likely time commitment for such a position and have applied the same hourly rate established for the Chair of Standards.

On the basis of a time commitment of 30 hours per annum the recommendation is to have a Chair of Audit allowance of £494. This figure to be reviewed as and when the SRAs are reviewed.

3.4 Childcare and Dependent Carers Allowance

An analysis shows no claims have been made for these allowances. In previous years a further analysis shows that against comparator authorities the current rates are fair and as such **it is recommended they should remain at the same level of £5.20 per hour and subject to the maximum levels within the current scheme.**

3.5 Travel Allowance

The scheme should remain in the respect that it only reimburses for travel out of the City. The panel are aware that there may be proposals for employees of the Council to be subject to the set HMRC rate of 40p per mile. **The panel recommends the Members allowances scheme should from May 2011 adopt the 40p per mile rate scheme with no additional provision for carrying passengers. This is in effect up to a 25% reduction in current levels of reimbursement.**

An outstanding issue was referred to the panel in relation to mileage being paid for Councillors who undertook rota visits within the city. The panel however thought this was too dangerous a precedent **and recommend that members on rota visits do not receive a mileage allowance**

3.6 Subsistence

The panel recommends that the current scheme applied requires no change with the subsistence rates being linked to the officers' rate paid within the Council.

3.7 Other Issues

During the course of the review certain process and procedure issues have been identified in the claiming of allowances which the panel will recommend adherence to existing rules, eg. telephone allowance.

4 **FINANCIAL IMPLICATIONS**

The current budget for the various members' allowances totals £1,214,890 and had the panel's initial views/recommendations been adopted, the cost would have been £1,183,922, a saving of £30,968 equivalent to a 2.5% reduction in budget. The detailed financial implications are attached at Appendix 1.

The financial implications of the revised recommendations are detailed at Appendix 1.1 which identify a saving of £72,362 (excluding the 5% voluntary Cabinet reduction).

If any of these savings are removed from the budget on a recurring basis, there will be need to increase the amended budget if and when the "freeze" ceases. Alternatively, the projected savings in either scenario could be reserved for non-recurring purposes until that time.

5 **SUMMARY AND CONCLUSIONS**

The recommendations are summarised at Appendix 2 and have been seriously influenced by the severity of the financial cuts facing the Council and had this not been the case, our recommendation would have been to increase the basic allowance given the fact that it has already been frozen for the last four years

£ £ £ £

Basic Allowance

"Pay"

27.75 hrs @ £8.24 @ 52 wks 11,890

"Expenses"

£433 @ 75% (reduced mileage rate) 325 12,215

Number of Councillors

59 720,685**SRAs (frozen at current levels)**

	Rate	No.		
Leader	23,286	1	23,286	
Deputy Leader	17,463	1	17,463	
Cabinet Members	14,553	8	116,432	
Opposition Leader	11,643	1	11,643	
Chair O&S Management Committee	11,643	1	11,643	
Chairs Scrutiny Commissions	5,821	6	34,932	
Chair Licencing	5,821	1	5,822	
Chair Planning	5,821	1	5,822	
Chairs Area C'ttees	5,821	7	<u>40,754</u>	<u>267,799</u>

988,484

NI / Superannuation @ 18% (i.e. 2009/10 rate, rounded up)

177,927 1,166,411**Standards C'tte Chair**

30 hrs per annum @ double base rate of £8.24 494

Audit C'ttee Chair (assuming not the same person as above)

30 hrs per annum @ double base rate of £8.24 494

Outside City Boundary Expenses

(Say) 2009/10 Level less 25% for reduced mileage rate (on mileage element only) 4,842

Co-Optees

(Say) 2009/10 General Fund level of £4909 /£25 *£33 reflecting £8.24/hr 6,480

Carers' Allowances (provision)

(Say) 1,000 hours @ £5.20 /hr 5,200

Total Estimated Cost1,183,922**Budget**1,214,890

Over / (Under)

(30,968)

Appendix 1.1

	£	£	£	£
Basic Allowance (frozen at current levels in total)				
"Pay"			11,318	
"Expenses"				
£433	@	75% (reduced mileage rate)	<u>325</u>	11,643
Number of Councillors			<u>59</u>	686,937
<u>SRAs (frozen at current levels)</u>				
		Rate	No.	
Leader		200%	23,286	1
Deputy Leader		150%	17,463	1
Cabinet Members		125%	14,553	8
Opposition Leader		100%	11,643	1
Chair O&S Management Committee		100%	11,643	1
Chairs Scrutiny Commissions		50%	5,821	6
Chair Licencing		50%	5,821	1
Chair Planning		50%	5,821	1
Chairs Area C'ttees		50%	5,821	7
			<u>40,754</u>	<u>267,799</u>
				954,736
NI / Superannuation	@	18% (i.e. 2009/10 rate, rounded up)	<u>171,852</u>	1,126,588
<u>Standards C'tte Chair</u>				
30 hrs per annum @ double base rate of £8.24				494
<u>Audit C'ttee Chair (assuming not the same person as above)</u>				
30 hrs per annum @ double base rate of £8.24				494
<u>Outside City Boundary Expenses</u>				
(Say) 2009/10 Level less 25% for reduced mileage rate (on mileage element only)				4,842
<u>Co-Optees</u>				
Frozen at current levels				4,909
<u>Carers' Allowances (provision)</u>				
(Say) 1,000 hours @ £5.20 /hr				5,200
				<hr/>
		Total Estimated Cost		1,142,528
		Budget		1,214,890
				<hr/>
		Over / (Under)		<u>(72,362)</u>

Summary of Recommendations

	Current	Proposed From May 2011	
Basic Allowance	£11,643	£11,643	Maintain the freeze for basic allowance. When the pay freeze for local government employees is lifted, move to £12,215 plus the value of the inflationary increase applied to the local government pay scales from April 2009.
SRA			
Leader (1)	£23,286	£23,286	Frozen and reviewed when LGA pay scales are increased in the future
Deputy Leader (1)	£17,463	£17,463	
Cab Members (8)	£14,553	£14,553	
Opp Leader (1)	£11,643	£11,643	
Chair O&S (1)	£11,643	£11,643	
Chair Scrutiny (6)	£5,821	£5,821	
Chair Licensing (1)	£5,821	£5,821	
Chair Planning (1)	£5,821	£5,821	
Chair Area (7) Committees	£5,821	£5,821	
Co-Optees			
4 hrs or less	£25	£25	Maintain the freeze. When the pay freeze for local government employees is lifted, increase to £33 and £66 plus the value of the inflationary increase applied to the local government pay scales from April 2009.
Over 4 hrs	£50	£50	
Standards Chair	£1,500	£494	This figure to be reviewed as and when the SRAs are reviewed.
Audit Chair	£0	£494	This figure to be reviewed as and when the SRAs are reviewed.
Childcare and Dependents	£5.20	£5.20	
Travel	Up to 65p per mile	40p per mile	Index linked to HMRC rate
Subsistence	Various	No change	

**REPORT OF THE MEMBERS'
ALLOWANCES PANEL**

**TO NORTH EAST
LINCOLNSHIRE COUNCIL**

AUGUST 2013



Review

Of

**Members'
Allowances**

For

**North East
Lincolnshire Council**

A Report by the

**Independent
Remuneration
Panel**

August 2013

Background

1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, all local authorities in England must establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to consider the current Members' allowances scheme and advise the Council, as appropriate, on a revised scheme. Local authorities must seek advice from their statutory Remuneration Panel before they amend or change their allowances scheme. The Council retains the right to determine scope and level of Members' Allowances but it must 'pay regard' to the recommendations of its Remuneration Panel, except in relation to pensionable allowances, where the Panel's recommendations are mandatory but only in the negative sense.
2. The Panel has been reconvened for its fifth independent review of Members' Allowances in North East Lincolnshire to make recommendations on the range and levels of allowances as set out in the terms of reference below.

The Panel

3. North East Lincolnshire Council appointed the following to its Independent Remuneration Panel, namely:
 - Mike Corry, Chair of the Panel. Mike is a former Independent Chair of the Standards Committee of North East Lincolnshire Council.
 - Martin Allingham, a former Independent Chair of the Standards Committee of North East Lincolnshire Council.
 - Wayne Harvie, currently Reserve Independent Person for the Standards and Adjudication Committee of North East Lincolnshire Council.
4. The Panel had the support of Paul Windley, Team Manager Democratic Services and Sue Webster, Democratic Services Officer, in facilitating the review process.

Terms of Reference

5. The Panel was asked to review the current level and form of allowances received by Councillors in North East Lincolnshire and make recommendations to the Standards and Adjudications Committee to be taken into account when final recommendations are made for consideration by full Council.
6. In determining the level of remuneration and allowances, the Panel was asked to take into account a number of general principles. These

included:

- a) The importance of a Councillor's work should be reflected in a principle of "broadly equivalent" remuneration for Councillors vis-à-vis comparable roles elsewhere in the public sector, and to reflect on work/life balance issues of elected Members.
- b) Basic allowances and special responsibility allowances made pursuant to the current Scheme. These should be reviewed, particularly in comparison with other Unitary Local Authorities of similar size and, as per the current Scheme, calculated on the basis of an hourly/daily wage rate and a comparable occupation.
- c) An evaluation of the time originally deemed necessary to fulfil the role of the Councillor.
- d) In determining the special responsibility allowance, consideration needs to be given to the duties and responsibilities of a Councillor operating in a Unitary Authority under the auspices of executive arrangements and the new governance arrangements.
- e) To ensure that the current level of additional allowances (e.g. Dependents/Co-optees' Allowance) was still appropriate.
- f) Any proposed system of remuneration must be simple and cost effective to operate.
- g) To confirm (as in respect of the current scheme) that, in the event that the scheme be amended at any time so as to affect allowance payable for the year in which the amendment was made, payment of allowance may be back-dated.
- h) As to whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed.
- i) To confirm that Members of the authority were entitled to pensions in accordance with a scheme made under Section 7 of the Superannuation Act 1972, noting that the Department for Communities and Local Government was currently out to consultation on the question of continuing to confer eligibility on Councillors to join the local government pension scheme.
- j) To confirm both basic allowance and special responsibility allowance as amounts in respect of which such pensions were payable in accordance with a scheme made under Section 7 of the Superannuation Act 1972, subject in any event to the outcome of the DCLG consultation referred to above.

- k) To review the current level of SRA for the Licensing and Community Protection Committee in view of the responsibilities, volume of work and hearings associated with the discharge of the licensing committee function
- l) To ensure that the current level of Civic Allowance was still appropriate

Methodology

The Panel met at the Town Hall in Grimsby on 29th July, 5th, 6th, 12th and 27th August, 2013. The Panel meetings were held in private session so as to enable the Panel to conduct their deliberations in confidence and interview Members in confidence. The details of the range of Elected Members of the Council that met with the Panel are provided in Appendix One.

7. The Panel's activity fell into three parts:
 - **One:** Review of background information, i.e., the current political structures and composition; briefing by the Strategic Director of Governance and Transformation on national issues and patterns regarding allowances, review of the previous report and the current allowances scheme; tabling of other relevant information, such as meeting frequency, and allowances schemes in other Unitary Authorities.
 - **Two:** Interviews with Members of the Council.
 - **Three:** Arriving at recommendations.
8. The Panel has laid out a synopsis of its deliberations in this report to assist Members and the public to understand its approach. The recommendations presented in this report at the present represent the view of the Panel and not the official view of North East Lincolnshire Council.

The Evidence Considered and Arriving at Recommendations

9. The Panel were impressed at the passion and commitment to the community by the Councillors that were interviewed. No Member asked for an increase in remuneration and all recognised the need to make efficiencies. However, in order to enable all people to take part and have the opportunity to become a Councillor, an allowance had to be paid to offset any possible loss of earnings for people that were in employment. The Panel noted during the course of its review the following points that it felt was important to take into account when making recommendations to the Council, namely that:
 - The current financial climate within the public sector, including funding reductions announced within the Government's

- Comprehensive Spending Review.
- The consequent need for a reduction in costs in recognition of the financial position.
- The need to encourage members of the community to stand as a Councillor.
- The opinions expressed by those Members interviewed by the Panel on potential areas for savings.

Reviewing the Basic Allowance

10. The Panel noted that the current Basic Allowance is £7,500, and through interview enquired about the expected minimum time to undertake the roles associated with the Basic Allowance, the level of the public service discount (the amount of unremunerated time an elected Member can reasonably expect to give) and the value of an elected Members' time.
11. The Panel felt that the current level of Basic Allowance was fair but recognised that the workload of Elected Members including their ward representative role, preparation for and attendance at meetings (not only for the Council but also neighbourhood meetings and outside body representation), meant that any calculation of an hourly rate would compare unfavourably low with any other sector. However Elected Members themselves showed no appetite for an increase to the Basic Allowance in the current economic climate.
12. **The Panel concluded that, in light of the current financial climate, the Basic Allowance should be frozen at £7,500 until 1st April, 2014 and then increased at the NJC rate at that time.**

Reviewing the Special Responsibility Allowance

13. The Panel was under a duty to take cognisance of the following statutory guidance in arriving at recommendations for SRAs:

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.

In addition, any particular local authority will need to look carefully at the nature of its constitution when determining its scheme. New arrangements will mean that there are inevitable changes in the positions of responsibility on the Council, both in terms of number and workload. Some councillors will be spending significantly more of their time on council duties than has ever previously been the case. On the other hand, changes in the traditional committee structure will mean that there are far fewer committees and, as a consequence, fewer councillors engaged as chairs and vice-chairs of numerous committees.¹

14. Consequently, the Panel followed the approach as laid out in the statutory guidance and has only recommended further SRAs to be paid when the post holders clearly have extra *significant responsibility* rather than an extra time commitment only.

Arriving at the Leader's SRA

15. The Panel noted the following statutory guidance from the 2003 regulations (par. 76) before it deliberated on the Leader's SRA.

Having determined which duties should be acknowledged as significant additional responsibilities, the local authority will need to consider the levels of special responsibility allowance which are attached to each post. 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 may be the elected mayor or the leader) and pro rata downwards for the other roles which it has agreed ought to receive an extra allowance. 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.

16. The Panel decided to maintain this factor approach as it has the following advantages:
 - Simple and easy to understand
 - Has widespread acceptance across local government
 - Has widespread acceptance among NELC Members
 - It is recommended in the statutory guidance.
17. It was generally agreed that the Leader's role was the equivalent of full time. This is not to suggest that the Leader is expected to formally work a 9-5 day in the office because the role does not lend itself to such a

¹ See 2003 Consolidated Guidance, pars. 70-72.

prescribed formal structure. As such, the Leader should be remunerated at a level which ensures, no matter whom the individual may be, the post holder will be able to devote the time necessary to it.

18. The Panel noted that previous reviews had settled on a factor of 3 times the Basic Allowance to arrive at the Leader's SRA but felt that, due to the recommended increase of the basic allowance for 1st April, 2014, the Leader's SRA should be frozen at the current amount.
19. **Consequently, taking into consideration the current financial climate, the Panel recommends that the appropriate SRA for the Leader of North East Lincolnshire Council remains frozen at £22,500. This recommendation is based on an expected full time commitment for the Leader.**

Arriving at Recommendations for Other SRAs

20. In arriving at the other SRAs, the evidence received, except in some particular cases outlined below, indicated that the current range of SRAs and current ratios are broadly appropriate. More specifically, the Panel decided to follow the current approach and deem the Leader's SRA as 100 per cent and then pro rata the other SRA's as a percentage in relation to the Leader's SRA.

Deputy Leader – Band B

21. At present the Deputy Leader receives a SRA of £18,000, and this is currently set at 80 per cent of the Leader's SRA. The Panel noted this was a generous amount compared to an average of 64 per cent in similar Unitary Authorities. It was decided that it would be justified to reduce the Deputy Leader's SRA to 75 per cent of the Leader's Allowance.
22. **Consequently, and taking into account the current financial climate, the recommended SRA for the Deputy Leader is to be reduced to 75 per cent of the Leader's Allowance and set at £16,875.**

Designated Cabinet Members and Portfolio Holders – Band C

23. In 2010 the Panel recommended that the Cabinet Members be paid a SRA set at a rate of 65 per cent of the Leader's SRA and be set at £14,667.20.
24. In May, 2012 Cabinet increased by two Members and elected to take a drop in allowance to £11,750 for 8 Portfolio Holders.
25. Based upon comparisons of different families of Councils similar to the borough, and in line with the recommended reduction to the Deputy Leader's SRA, the Panel decided that the Portfolio Holders' SRA

should be set at 50% of the Leader's Allowance.

26. **Consequently, the recommended SRA for the Cabinet Members is to be reduced to £11,250.00. This recommendation is based on the expected eight Members of Cabinet.**

Chair of the Planning Committee – Band D

27. The Panel considered next the role of the Chair of the Planning Committee. The Panel noted that the Chair of the Planning Committee is a high profile position in North East Lincolnshire Council. Planning in particular is an issue that attracts public attention and the Chair needs to keep abreast of current developments in planning law and regulations. The Planning Committee is the first and in most cases sole point of reference for planning applications that are in any way contentious. As such, the Committee has a heavy workload in that it meets every four weeks, plus associated site visits. In particular, the Chair attends briefings with Officers, scheduled at least every four weeks. Consequently, there are three meetings for the Chair on every four-week cycle.
28. The SRA for the Chair of Planning is currently set at 30 per cent of the Leader's SRA. The Panel deemed that the role had not altered greatly since the previous review and decided that it should apply the same ratio as it did in 2010, which is 30 per cent of the Leader's SRA.
29. **Thus, the recommended SRA for the Chair of the Planning Committee remains at £6,750.00 (The Leader's recommended SRA multiplied by 30 per cent).**

Chair of the Scrutiny Panels (5) – Band E

30. The Panel noted that currently the Chairs of the Scrutiny Panels are each paid a SRA (£5,641.61 – rounded down to £5,625.00) which is set at 25 per cent of the Leader's SRA. The Panel recognised the importance of Scrutiny in assisting the Cabinet and the Council in the development of its budget and policy framework by in-depth analysis of policy issues. Furthermore, it is a function of the Chairmen of the Scrutiny Panels to take a lead in developing their Panels work programme. They also oversee the progress of the associated Select Committees and Working Groups that have the function of reviewing and development of policy areas to feed into the forward plan and policy proposals of the Cabinet.
31. The Panel received no evidence to indicate that the Scrutiny Chairs' SRA was out of line with the demands of the post and felt that the factoring of 25% remains appropriate.
32. **Thus, the recommended SRA for the 5 Chairs of the Scrutiny Panels remains at £5,625.00 (the Leader's recommended SRA**

multiplied by 25 per cent).

Chair of the Standards and Adjudication Committee – Band F

33. At the Annual General Meeting (AGM) of the Council held on 23rd May, 2013, it was decided to merge the Standards Committee and the Appeals Committee to form the Standards and Adjudication Committee to discharge the full suite of Standards and Appeals Committee responsibilities. This leaves one member body with responsibility for handling “people” related matters insofar as they relate to conduct complaints (elected members) and workforce related appeals.
34. The Panel took into consideration the level of responsibility required as Chair of this merged Committee and felt that a factoring of 20 per cent of the Leader’s SRA remained appropriate.
35. **Thus, the recommended SRA for the Chair of the Standards and Adjudication Committee be set at £4,500.00 (The Leader’s recommended SRA multiplied by 20 per cent)**

The Chair of Licensing and Community Protection Committee – Band F

36. At the Annual General Meeting of the Council held on 23rd May, 2013, it was decided to merge the Licensing Committee and the Community Protection Committee to form the Licensing and Community Protection Committee, this leaves one member body with responsibility for handling “licensing” related matters.
37. The Panel took into consideration that the Chair of this Committee was also to be the Standing Chair for the Licensing Sub Committee which required considerably more responsibility.
38. As a result, the Panel felt that the SRA for the Chair of the Licensing and Community Protection Committee should be factored at 20 per cent of the Leader’s SRA
39. **Thus, the recommended SRA for the Chair of the Licensing and Community Protection Committee be set at £4,500.00 (The Leader’s recommended SRA multiplied by 20 per cent).**

Opposition Group Allowances

40. The Panel considered that in light of the changes in the political composition of the Council in recent years, the Opposition Group allowances should be reviewed.
41. The Panel believed that, with a Leader and Cabinet model of executive arrangements, a group of less than 10 Members will not provide a sufficiently robust opposition to warrant the extra allowance.

42. After consideration of the information gathered from the interviews of Members, it was felt that the level of responsibility for an Opposition Group of 10 plus Members would be appropriate at 20 per cent of the Leader's SRA.
43. As a result, the Panel felt that the lower and higher tiers of allowances be removed from the Opposition Groups Allowance and one level be set for a group with 10 Members or above.
44. **Consequently, the Panel recommends that the level of allowance for Opposition Groups with 10 Members or above be set at £4,500.00 (The Leader's recommended SRA multiplied by 20 per cent).**

Chairman of Audit and Governance Committee and Co-opted Members

45. The 2003 Regulations permit the payment of a Co-optees' Allowance to appointees to the Councils' committees and working groups as co-opted non-elected members. North East Lincolnshire Council currently pays it statutory Co-optees an annual Allowance of £260.00
46. In 2010, the Council appointed an Independent Chair of the Audit Committee. The 2003 Regulations specify that where a Co-optee is appointed Chair that the Co-optees' Allowance must be of an amount no less than the equivalent SRA being made available to Chairmen of equivalent committees of the Council. The Council previously agreed that this equivalent rate be that of the Chair of the Appeals Committee at £4,513.37 (20 per cent of the Leader's SRA).
47. At the AGM held on 23rd May, 2013, an Audit and Governance Committee was established to enhance the Audit Committee's role by conferring responsibility for all aspects of corporate governance and partnership governance /performance.. The Independent Chairman role has proved to be effective and no changes were proposed in that regard.
48. The Panel felt that the current levels for the Co-opted Allowance and the Co-opted Chair of the Audit and Governance Committee remained appropriate.
49. **Consequently, the recommended allowance for the independent Chair of the Audit and Governance Committee to remain at £4,500.00 (The Leader's recommended SRA multiplied by 20 per cent).**
50. **The recommended SRA for the Co-opted Members to remain at £260.00.**

The Civic Allowance

51. The 1972 Local Government Act permits the payment of a “Civic Allowance” to Mayors and Deputy Mayors or Council Chairmen and Council Deputy Chairmen to assist in meeting the on-going expenses of fulfilling the duties of the Office. The Civic Allowance normally pays for such items as a new set of clothes for the Mayor and Mayor’s consort, donations to charities, purchase of raffle tickets and the like and other assorted payments for minor items such as small gifts and worthy items. Purchases of tickets for charity events attended by the Mayor and/or the Deputy Mayor should also be payable out of the Civic Allowance. It is mainly for the operational day to day costs associated with the Office so as to try and ensure the Mayor and Deputy Mayor are not out of pocket through the holding of their Office.
52. While the Civic Allowance is formally outside the remit of allowances panels, the Council has asked for a view on the Civic Allowance made available to the Mayor NELC each year. Presently the Mayor’s Civic Allowance is £8,500.00.
53. On the basis of evidence received, the Panel felt that the Civic Allowance remained at an appropriate level.
54. **Thus, the recommended Civic Allowance for the Mayor to remain at £8,500.00.**

Limits on SRAs Claimed

55. As per current practice the Panel also recommends that if a Member holds more than one post, as a Chairperson, Deputy Chair (subject to the continuation of Deputies SRAs) or as a Cabinet Member, they are able to draw only one SRA at any one time.

Summary of Options

56. Detailed tables setting out the current Members’ Allowance Scheme and the impact of the options discussed above can be found at Appendix Two to this report.

Associated Issues

Pensionable Allowances

57. The Panel were mindful of the results of a recent consultation and, in recognition of the Government’s intention, suggested shutting the Local Government Pension Scheme for any new applications from Elected Members but the existing six Members in the Scheme be allowed to remain unless or until their entitlement is ended by operation of law

Confirmation of Implementation and Indexing

58. If the Council is minded to accept the Panel recommendations contained within this report (with any amendments) then the Panel recommends that the new scheme be effective from 1st April, 2014.
59. Furthermore, the Panel recommends and confirms the use of the following index for allowances:
 - Basic Allowance: increased by the annual local government pay percentage increase as agreed each April (linked to spinal column point 49 of the NJC scheme).
60. The Panel further recommends that the indexation be reviewed on an annual basis linked to the proposed annual reviews to be conducted by this Panel.

The Provision of Telephone Allowance, IT and Broadband for Members

61. The Council is committed to assisting Members comply with the e-governance requirements as laid down by central government. Part of this is to ensure that Member have access to IT and have their own PCs and are able to connect to the internet. As such the Panel previously recommended the payment of an annual allowance for the provision of broadband to Members.
62. The Panel continues to support the provision of this allowance as it is only fitting that they are equipped to access the Council intranet, have the public contact them through email, and be able to do research and reading by accessing the relevant material available on the internet.
63. The Panel noted the varying amounts being claimed by Members for the provision of Broadband and felt it would be simpler and less expensive for the Local Authority to administer a fixed annual allowance of £350 be paid to all Members as a contribution towards the provision of both telephone and broadband. This falls in line with the practice of other similar local authorities.
64. It was suggested that the Council research the benefits of a contract with a single supplier for both services.
65. **Thus, the recommended Telephone and Broadband Allowance be fixed at £350.00 per annum for each Member.**
66. The Panel examined a summary of travel expenses claimed by Members and found the amounts being claimed to be very varied. It was noted that in 2012/13 a total of £4900 was claimed for travel expenses within the Borough and £2100 was claimed for travel outside the Authority area. The Panel suggested that the Council should not be charged for any travel expenses caused by work within the

Borough.

67. **Thus, the allowance for travel within the authority be removed.**
68. The Panel felt it was reasonable for Members to claim expenses for travel outside the authority and stressed the importance of Members taking advantage of any Corporate contracts in place that provide cheaper modes of transport.
69. **Thus, the Panel recommended that travel outside the authority, subsistence and accommodation be paid at the NELC Officer rates (NJC)**

Carer's Allowance

70. The Panel recommended that the Carer's Allowance remain the same as before.

Future Reviews

71. The Panel considered that the principle of annual reviews should be established to enable the Panel to be more effective in its work and take cognisance of any material changes in legislation impacting on local government and the role of elected members.

APPENDICES

Appendix One: Interviewees

In person:

Councillor Iain Colquhoun	Ward Councillor (Conservative)
Councillor Terry Thurogood	Ward Councillor (Labour)
Councillor David Watson	Chair of Standards and Adjudication Committee (Labour)
Councillor Mike Burton	Chair of Regeneration, Housing and Environment Scrutiny Panel (Labour)
Councillor Matthew Patrick	Chair of Licensing and Community Protection Committee (Labour)
Councillor Jane Hyldon-King	Chair of Health Scrutiny Panel (Labour)
Councillor Chris Shaw	Leader of the Council (Labour)
Councillor Margaret Cracknell	Deputy Group Leader of the Conservative Party
Councillor Andrew De Freitas	Group Leader of the Liberal Democrat Party
Councillor Ron Shepherd	Group Leader of the UKIP Party
Councillor Darren Billard	Portfolio Holder for Finance and Governance (Labour)

Appendix Two: Summary of Options

(the figures in the following tables are based on maximum allocation of allowances – i.e. additional savings could be made if a Member was eligible for more than one SRA but only allowed to claim one)

BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES

Table 1: Current Members' Allowances Scheme:

Post	Maximum No of SRAs Payable	Basic Allowance	Special Responsibility Allowance	Total Allowance	Sub Totals
Basic Allowance					
All Members (42)		£7,500.00			
Band A					
Leader	1	£7,500.00	£22,500.00	£30,000.00	£30,000.00
Band B					
Deputy Leader	1	£7,500.00	£18,000.00	£25,500.00	£25,500.00
Band C					
Designated Cabinet Members & Portfolio Holders	6	£7,500.00	£11,570.00	£19,070.00	£114,420.00
Band D					
Chair of Planning Committee	1	£7,500.00	£6,750.00	£14,250.00	£14,250.00
Band E					
Chair of Scrutiny Panels	5	£7,500.00	£5,625.00	£13,125.00	£65,625.00
Band F					
Chair of Standards and Adjudication Committee	1	£7,500.00	£4,500.00	£12,000.00	£12,000.00
Band G					
Chair of Licensing and Community Protection Committee	1	£7,500.00	£2,250.00	£9,750.00	£9,750.00
Opposition Group Leaders					
2-4 Group Members	2	£7,500.00	£2,250.00	£9,750.00	£19,500.00
5-9 Group Members			£4,500.00		
10-14 Group Members	1	£7,500.00	£6,400.00	£13,900.00	£13,900.00
15-19 Group Members			£8,900.00		
20+ Members			£11,000.00		
Co-optees' Allowances					
Independent Chair of Audit and Governance Committee	1		£4,500.00	£4,500.00	£4,500.00
Civic Allowances					
Mayor	1	£7,500.00	£8,500.00	£16,000.00	£16,000.00
Basic Allowance for remaining Members	22	£7,500.00			£165,000.00
Grand Total					£490,445.00

Table 2: Summary of Recommendations (as at 1st April, 2014)

Post	Maximum No of SRAs Payable	Basic Allowance	Special Responsibility Allowance	Total Allowance	Sub Totals
Basic Allowance					
All Members (42)		£7,575.00			
Band A					
Leader	1	£7,575.00	£22,500.00	£30,075.00	£30,075.00
Band B					
Deputy Leader	1	£7,575.00	£16,875.00	£24,450.00	£24,450.00
Band C					
Designated Cabinet Members & Portfolio Holders	6	£7,575.00	£11,250.00	£18,825.00	£112,950.00
Band D					
Chair of Planning Committee	1	£7,575.00	£6,750.00	£14,325.00	£14,325.00
Band E					
Chair of Scrutiny Panels	5	£7,575.00	£5,625.00	£13,200.00	£66,000.00
Band F					
Chair of Standards and Adjudication Committee	1	£7,575.00	£4,500.00	£12,075.00	£12,075.00
Chair of Licensing and Community Protection Committee	1	£7,575.00	£4,500.00	£12,075.00	£12,075.00
Opposition Group Leaders					
10+ Group Members	1	£7,575.00	£4,500.00	£12,075.00	£12,075.00
Co-optees' Allowances					
Chair of Audit and Governance Committee	1		£4,500.00	£4,500.00	£4,500.00
Civic Allowances					
Mayor	1	£7,575.00	£8,500.00	£16,075.00	£16,075.00
Basic Allowance for remaining Members	24	£7,575.00			£181800.00
Grand Total					£486400.00
Overall Saving on Current Scheme					£4045.00*

* It is anticipated that further savings will be achieved through the cessation of the allowance for travel within the authority. As noted within the report, a total of £4900 was claimed for travel within the authority during the 2012/13 financial year.

Appendix Three: Information Received by the Panel

1. Terms of Reference
2. The Local Authorities (Members' Allowances) (England) Regulations 2003
3. North East Lincolnshire Council Members Allowance Scheme
4. Allowances paid in neighbouring authorities 2012/13 – Hull, Lincolnshire, North Lincs and East Riding
5. Final Report of the North East Lincolnshire Independent Remuneration Panel 2010
6. Minutes of meeting of North East Lincolnshire Council held on 16th December, 2010 including final resolution on the Panel's recommendations
7. Details of changes to Members' Allowances Scheme agreed at meeting of North East Lincolnshire Council on 26th May, 2011
8. Details of changes to Members' Allowances Scheme agreed at meeting of North East Lincolnshire Council on 24th May, 2012
9. Details of number of meetings attracting an SRA 2010-2013
10. Details of anticipated number of meetings attracting an SRA 2013/14
11. Allowances paid in neighbouring authorities 2012/13 – Darlington, Southend on Sea, St. Helens, Stockton
12. Officers Pay Award Implementation
13. Officers Rates of Pay and Allowances
14. Breakdown and Analysis of Members Allowances
15. Comparison of Allowances – 2012/13 and 2013/14
16. Mayoral Allowance
17. Committee Structure
18. General Information on Political Make up of the Council

COUNCIL

DATE	19 th September, 2013
REPORT OF	Strategic Director Governance, Transformation and Resources
SUBJECT	Independent Remuneration Panel - Scheme of Allowances
STATUS	Open
FORWARD PLAN REF NO.	Not Applicable

EXECUTIVE SUMMARY

To consider the report of the Independent Remuneration Panel and adopt a Scheme of Allowances for Elected Members.

RECOMMENDATIONS

That Council:

- (i) Considers the report of the Independent Remuneration Panel and makes recommendations as to the level of Basic, Special Responsibility and associated allowances.
- (ii) Confirms the date on which the new Scheme of Allowances shall come into effect.
- (iii) Confirms that, in future, the Independent Remuneration Panel should review the Scheme of Allowances on an annual basis and submit its recommendations to the Annual General Meeting of the Council where reasonably practicable .
- (iv) Confirms that the current membership of the Independent Remuneration Panel be retained subject to annual availability, failing which authority is delegated to the Monitoring Officer to appoint replacement Panel members in accordance with prevailing legislative requirements.

REASONS FOR DECISION

The Council must consider the recommendations of the Independent Remuneration Panel.

RISK ASSESSMENT

Legislation provides for the adoption of a Scheme of Allowances.

The Remuneration Panel acts independently of the Council and its recommendations must be taken into account.

1. BACKGROUND AND ISSUES

- 1.1 The current Scheme of Allowances was adopted by Full Council on the 16th December, 2010.
- 1.2 At the Annual Meeting of Council on 23rd May, 2013, new governance arrangements were introduced and, as a result, authority was delegated to the Strategic Director Governance and Transformation to establish an Independent Remuneration Panel to review the Scheme of Allowances and make recommendations to Council (via the Standards and Adjudications Committee) as soon as possible. The terms of reference of the Review Panel were approved at this meeting.
- 1.3 The rationale for the Panel's recommendations is set out in its report but the Panel was particularly mindful of the current financial climate within the public sector.
- 1.4 The Panel has put forward a number of recommendations in respect of the Basic and Special Responsibility Allowances. These recommendations can be summarised as follows:
- A freeze of the basic allowance until 1st April 2014 when it would be then increased at the NJC rate at that time.
 - A freeze of all Special Responsibility Allowances with the exception of the following:
 - Deputy Leader SRA to be reduced to 75 per cent of the Leader's Allowance (£16875).
 - Cabinet Members SRA to be reduced to 50 per cent of the Leader's Allowance (£11250).
 - Chair of the merged Licensing and Community Protection Committee to be set at 20 per cent of the Leader's Allowance (£4500).
 - The setting of a single level of allowance for Opposition Groups with 10 Members or above at 20 per cent of the Leader's Allowance (£4500).
 - The closure of the Local Government Pension Scheme for any new applications from Elected Members.
 - The setting of a single Telephone and Broadband Allowance to be fixed at £350.00 per annum for each Elected Member.
 - The removal of the allowance for travel within the Authority.
 - That the new scheme be effective from 1st April, 2014.
- 1.5 As part of its Review, the Panel interviewed a cross-party selection of Elected Members and sought their opinion on their role and potential areas for savings within the current scheme, in light of the current financial climate.

2. OTHER OPTIONS CONSIDERED

The Scheme was due for review as agreed at the Council's Annual Meeting on 23rd May, 2013.

3. CONSULTATION WITH SCRUTINY

Not applicable.

4. FINANCIAL IMPLICATIONS

- 4.1 The recommendations proposed by the Panel result in a cost reduction of £4,045 on the current scheme plus an additional saving in the region of £4,900 based on the amount claimed for travel within the authority during the 2012/13 financial year and a minor saving in respect of telephone and internet broadband.

5. LEGAL IMPLICATIONS

- 5.1 The Independent Panel has taken into account the requirements of the relevant legislation.

6. HUMAN RESOURCES IMPLICATIONS

- 6.1 None directly arising from the report.

7. WARD IMPLICATIONS

- 7.1 None

8. BACKGROUND PAPERS

- 8.1 Report of the Independent Remuneration Panel

9. CONTACT OFFICER(S)

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Rob Walsh
Strategic Director
Governance, Transformation and Resources



www.nelincs.gov.uk

NORTH EAST LINCOLNSHIRE COUNCIL
MINUTES OF THE MEETING HELD ON

19th September, 2013

NEL.33

INDEPENDENT REMUNERATION PANEL - SCHEME OF ALLOWANCES

The Council received a report from the Strategic Director Governance, Transformation and Resources detailing the outcome of the Independent Remuneration Panel's review of the Members' Scheme of Allowances. This report was considered by the Standards and Adjudication Committee at its meeting on 11th September, 2013 where the recommendations were agreed.

The Leader of the Council moved that:

1. That the recommendations of the Independent Remuneration Panel be accepted subject to the following modifications:
 - a. That all Opposition Leaders receive an allowance of £1,000, regardless of the number of Councillors in any Opposition Group(s)
 - b. That in Borough travel claims be limited to any single journey of 4 miles or above
2. That the revised Scheme of Allowances comes into effect on the 1st April 2014.
3. That the Scheme of Allowances is reviewed annually and any recommendations of the Independent Remuneration Panel are submitted to the Annual Meeting of the Council where reasonably practicable.

4. That the current membership of the Independent Remuneration Panel be retained subject to annual availability, failing which authority is delegated to the Monitoring Officer to appoint replacement Panel members in accordance with prevailing legislative requirements.

This was seconded by the Deputy Leader and, upon a vote, it was

RESOLVED –

- (1) That the recommendations of the Independent Remuneration Panel be accepted subject to the following modifications:
 - a. That all Opposition Leaders receive an allowance of £1,000, regardless of the number of Councillors in any Opposition Group(s)
 - b. That in Borough travel claims be limited to any single journey of 4 miles or above
- (2) That the revised Scheme of Allowances comes into effect on the 1st April 2014.
- (3) That the Scheme of Allowances is reviewed annually and any recommendations of the Independent Remuneration Panel are submitted to the Annual Meeting of the Council where reasonably practicable.
- (4) That the current membership of the Independent Remuneration Panel be retained subject to annual availability, failing which authority is delegated to the Monitoring Officer to appoint replacement Panel members in accordance with prevailing legislative requirements.

**REPORT OF THE MEMBERS'
ALLOWANCES PANEL**

**NORTH LINCOLNSHIRE
COUNCIL**

MAY 2013

NORTH LINCOLNSHIRE COUNCIL

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 for 2013/2014.

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 fourteenth 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 currently consists of five members namely Mrs Shirley Girling, Mr Rashpal Nijjar, Mr Brian Pettifer, Mr Howard Robinson and Mr Gordon Rowlands.
- 2.3 In May, 2012 the Council had frozen the basic allowance and the allowances for the Leader and Deputy Leader of the Council, the Mayor, Cabinet Members, the Leader and Deputy Leader of the Opposition, the Deputy Mayor and Lead Members and had made various reductions in other special responsibility allowances to show an overall reduction of 1.4% on members allowances above the 10% reduction in 2011/2012. It had also retained the level of mileage claimable to a maximum of 5,000 miles, continued to pay travel allowances on Her Majesty's Revenue and Customs (HMRC) rates and had abolished subsistence allowances in 2011.
- 2.4 When making claims for travel allowances employees of the council have, for some time, been making their claims using the electronic carplan e-claim system. This is a more efficient method of making claims which, when completed, are sent through to payroll automatically to be processed. It is proposed that all elected members use this method of completing their claims from 1 July 2013.

Training will be provided to enable members to make their claims in this way.

- 2.5 Monthly paid employees of the council are currently paid on the 28th day of the month. For sometime now, members of the council have received their various allowances on the 15th day of the month. For payroll purposes it would make it more cost effective and efficient if both employees and members of the council were paid on the same date. It is proposed, therefore, that consideration be given to paying members of the council on the 28th day of each month. It is recognised that this may cause some initial practical issues which will need to be worked through during a transition period.

3. OPTIONS FOR CONSIDERATION

- 3.1 The Remuneration Panels report is attached. 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 them so long as it has regard to them.
- 3.2 The council must now consider the recommendations of the Remuneration Panel and determine a revised scheme for 2013/2014.
- 3.3 The council is also asked to consider the proposal to use the carplan e-claim system for making travel claims and to harmonise the pay dates for monthly paid employees of the council and elected members to the 28th day of each month.

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

- 4.1 Financial - The recommendations of the Remuneration Panel will be contained within existing budgets.
- 4.2 Staffing, Property and It - There are no implications associated with these areas.

5. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 5.1 Not applicable

6. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 6.1 Discussions have been held with both political groups on the council.

7. RECOMMENDATIONS

- 7.1 That the Remuneration Panel be thanked for its work.
- 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 2013.
- 7.3 That appropriate officers publicise the scheme in accordance with the 2003 regulations.
- 7.4 That arrangements be made for elected members to make travel claims using the carplan e-claim system and to be paid on the 28th day of the month and that officers work with members in relation to the practicalities of changing the pay date from the 15th to the 28th of the month to ensure a smooth transition.

DIRECTOR OF POLICY AND RESOURCES

Civic Centre
Ashby Road
SCUNTHORPE
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DN16 1AB
Author: Mel Holmes
Date: 30 April 2013

Background Papers used in the preparation of this report - Report of the elected members remuneration panel

Annual Meeting of the Council - 14 May 2013

2183 (4) **MEMBERS' ALLOWANCES** - Members had before them a report of the Director of Policy and Resources with the attached report of the Elected Members' Remuneration Panel for 2013/2014. The council was asked to consider the contents of the report with a view to approving a revised scheme of members' allowances for 2013/2014.

Each year the council was required to make an annual scheme for members' allowances based on advice from the Elected Members Independent Remuneration Panel. This was the fourteenth year that the panel had considered members' allowances. The panel consisted of members representing the multi-faith community, the voluntary sector and business communities. The detailed report of the panel was attached as an appendix to the Director's report and the report itself contained a number of recommendations.

Moved by Councillor England and seconded by Mrs Redfern -

(a) That the panel be thanked for its work; (b) that a members allowance scheme for 2013-14 be adopted as attached to include a 15% reduction in the Special Responsibility Allowance (SRAs) for the Leader and Deputy Leader of the Council and the respective opposition posts, a 10% reduction in all other SRAs and the deletion of any remuneration for the posts of Secretary to the Majority and Minority Groups on the Council; (c) that appropriate officers publicise the scheme in accordance with the 2003 regulations; (d) that arrangements be made for members to be paid on the 28th day of the month with effect from 28 July 2013, and (e) that this council recognises the over £200,000 or 23.9% savings delivered since 2011 on

councillors allowances, this includes scrapping of the free food budget, all of these commitments made and delivered by this Conservative controlled Council.

MEMBERS ALLOWANCES APPROVED SCHEME 2013/2014

APPENDIX A

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 4)	10,162
	Chairman of Planning Committee	9,146
	Chairman of Licensing Committee	8,130
	Chairman of Scrutiny Panels (x 4)	8,637
	Leader of Minority Group	8,400
4	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 4)	4,213
	Lead Members (x 8)	4,957
	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

APPENDIX B

(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.

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 - 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 for lunch or dinner.

(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.

At the request of members and in accordance with Procedure Rule 1.23(d) the names of members voting for, against and abstaining from the motion are as follows -

FOR: Councillors Allcock, Briggs, Mrs Bromby, Bunyan, Clark, Eckhardt, England, Evison, T Foster, Glover, Marper, Ogg, Poole, Mrs Redfern, Robinson, Rowson, C Sherwood, N Sherwood, K Vickers, P Vickers, Waltham, and Wells.

AGAINST: Nil

ABSTAINING: Councillors Ali, Armitage, Bainbridge, Barker, Carlile, Collinson, Ellerby, L Foster, Godfrey, Gosling, Grant, Jawaid, Kataria, Oldfield, O'Sullivan, Swift, Whiteley and Wilson.

Motion Carried

Members Allowances