

Humberside Fire Authority

10 February 2020

Supporting Papers

Agenda Item 14 - Members' Allowances 2020/21

East Riding of Yorkshire Council

Independent Remuneration Panel & Members' Allowances Scheme

EAST RIDING OF YORKSHIRE COUNCIL

1. REPORT OF THE MEMBERS' ALLOWANCES PANEL – APRIL 2019

1.1 The Members' Allowances Panel was asked to undertake a full review of the existing scheme of allowances for councillors. The law requires the Council to make a scheme that provides for the payment of allowances each year to each member of the authority. Where the Council seeks to review any aspect of its scheme it must first take account of any recommendations from the Independent Remuneration Panel (Members' Allowances Panel) established for this purpose.

1.2 The membership of the Panel comprises:

Beverley Porritt (Chair)
Peter Robinson
Hazel Smith
David Waxman

2. BACKGROUND

2.1 The Panel met on four occasions between 8 January 2019 and 7 March 2019 and whilst it received administrative support and advice from a small group of Council officers, the recommendations put forward are solely the Panel's own views.

2.2 Members of the Panel attended various committee meetings to gain an insight into the workings of the Council. This gave the Panel a good understanding of how the committees operated and greatly assisted in reviewing the Members' Allowances Scheme.

2.3 Information on the allowances paid to Members in 2017/18 was provided to the Panel. It also received an update on the Members' Allowances budget at the end of March 2018 (year-end) and as at December 2018. The Members' Allowance Panel was aware of the financial pressures facing the Council and agreed at the outset that it would seek to make recommendations wherever possible within the existing budget.

2.4 The Panel was provided with extensive benchmarking information relating to Members' Allowances from across a range of local authorities, including neighbouring authorities and other unitary authorities. Information was also provided on the work undertaken by councillors and various Council committees including the frequency of meetings. Whilst this was helpful, the Panel recognised the difficulty of making direct comparisons with other councils due to such issues as different governance models, socio economic conditions, geographical areas and budgets. Similarly, the Panel recognised the differences that existed between many of the wards in the East Riding of Yorkshire, with councillors facing their own unique challenges in serving their residents.

2.5 As part of the review the political groups were given the opportunity to provide written submissions on any aspect of the scheme of allowances and the Panel also had the opportunity to meet with different councillors when reviewing the special responsibility allowances and group officer supplements.

- 2.6 This report sets out the areas considered by the Panel along with its recommendations. A table summarising the Panel’s recommendations is attached at Appendix A. The proposed revised Members’ Allowances Scheme and Schedule is set out at Appendix B and a copy of the current Scheme and Schedule is set out at Appendix C.
- 2.7 The Panel wish to thank those Members and officers who have contributed to the review by meeting with them to discuss, or submitting in writing, their observations regarding the Members ‘Allowances Scheme.

3. REQUIREMENTS OF THE PANEL’S REVIEW

- 3.1 The Panel is required to make recommendations on the following aspects of the Members’ Allowances Scheme, in accordance with the Local Authorities (Members’ Allowances) (England) Regulations 2003:
- The level of basic allowance.
 - Special Responsibility Allowances and the amounts payable.
 - The level of co-optees’ (or non-councillor) allowance.
 - Whether the scheme should include a dependants allowance and the level of that allowance.
 - Duties for which travelling and subsistence allowances can be paid and the amounts.
 - Whether allowances should be backdated to the start of the financial year.
 - The nature of any indexing and for how long this should apply.
- 3.2 The proposed changes to Members’ Basic Allowance and Special Responsibility Allowances are detailed at Appendix B. The Panel recommends that any changes to the scheme be applied with effect from 16 May 2019.

PANEL RECOMMENDATIONS

4. Basic Allowance including IT Allowance

Recommendation 1	That the amount of Basic Allowance including the IT allowance be maintained and indexation applied at the National Joint Council for Local Government Services (NJC) officers’ national pay award from April 2020.
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- 4.1 In recognising the voluntary nature of the councillor’s role the Panel was mindful that the basic allowance should provide reasonable recompense for the time and effort taken in undertaking their duties. The Panel believed the basic allowance should not be set at a level that discouraged individuals from putting themselves forward as councillors but also recognised the voluntary nature of the role. Whilst recognising that personal circumstances and the wards served may vary from councillor to councillor, the Panel acknowledged that it was required to propose a basic allowance that was applicable to all councillors.
- 4.2 In comparing the allowances paid by East Riding of Yorkshire Council with those paid in a number of other local unitary authorities (regionally and nationally), the Panel considered the allowances currently paid were reasonable.

4.3 It is recommended that the IT allowances, initial and maintenance, be maintained as currently set out in the Scheme at Appendix C and indexation applied at the NJC officers' national pay award from April 2020. The Panel was keen to ensure that councillors were encouraged to use IT wherever possible to support them in their role as a councillor.

5. Special Responsibility Allowances

5.1.1 The Panel agreed that the Members' basic allowance (as recommended by the Panel) should be used as the baseline for determining Special Responsibility Allowances for the Leader of the Council, Deputy Leader of the Council, Leader of the Main Opposition Group, Cabinet Members, Chairmen and Vice Chairmen and Group Allowances. The majority of the Special Responsibility Allowances have been calculated to reflect the allowances within the current scheme. Any exceptions to this have been detailed below.

5.1.2 The Panel recommends that a councillor should only receive one Special Responsibility Allowance (which would be the higher amount) and that indexation be applied in line with the NJC officers' national pay award from April 2020.

5.1.3 The recommended revised Special Responsibility Allowances are detailed at Appendix B and a summary of the Panel's proposals are detailed below.

5.2 Special Responsibility Allowance - The Leader of the Council

Recommendation 2	That the Special Responsibility Allowance relating to the Leader of the Council be amended to reflect a multiple of 3.22 of the Basic Allowance.
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5.2.1 The Panel reviewed the level of the allowance paid to the Leader of the Council and felt the level of the allowance paid should be maintained to reflect the significant responsibilities of the role, the time commitment required, its importance in relation to the smooth running of the Council and the requirement for the Leader to have an overview of all Council functions and decision making.

5.3 Special Responsibility Allowance – The Deputy Leader of the Council

Recommendation 3	That the Special Responsibility Allowance relating to the Deputy Leader of the Council be reduced to reflect a multiple of 1.61 of the Basic Allowance.
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5.3.1 Careful consideration was given to the level of allowance paid to the Deputy Leader of the Council. Having considered all the evidence presented, the Panel was minded to recommend reducing the level of this allowance.

5.4 Special Responsibility Allowance – Cabinet Members

Recommendation 4	That the Special Responsibility Allowance relating to Cabinet Members be amended to reflect a multiple of 1.3 of the Basic Allowance.
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5.4.1 The Panel reviewed the role of Cabinet Members and felt that the current level of allowance paid was a fair reflection of the time commitment and responsibilities of the role. As such the Panel was minded to recommend an allowance which was in line with the current amount paid.

5.5 Special Responsibility Allowance – Leader of the Main Opposition Group

Recommendation 5	That the Special Responsibility Allowance relating to the Leader of the Opposition Group be increased to 0.6 of the Basic Allowance.
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5.5.1 The Panel considered the role and allowance paid to the Leader of the Main Opposition Group and recognised the importance of this role in holding the Executive to account and having an oversight of the decisions being taken across the Council. The Panel therefore felt this allowance should be increased to reflect the role and status which the Panel felt the Leader of the Main Opposition Group should have in a well-functioning council.

5.6 Special Responsibility Allowance – Chairmen of Overview and Scrutiny Committee and Sub-Committees, Planning Committee and Review Panels

Recommendation 6	That the Special Responsibility Allowance relating to the Chairmen of Overview and Scrutiny Committee and Sub-Committees, Planning Committee and Review Panels be amended to reflect a multiple of 0.86 of the Basic Allowance.
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5.6.1 The Panel reviewed the allowances paid to the Chairmen of the Overview and Scrutiny Committee and Sub-Committees, Planning Committee and Review Panels and considered that the level of this allowance should be maintained in line with the current allowance paid. Panel Members acknowledged the responsibilities associated with the role of Chairman of the Planning Committee including chairing the meetings which were held on a regular basis, were public facing and often involved consideration of controversial items. The important role played by Overview and Scrutiny and Review Panel Chairmen within a well-functioning authority was also recognised by the Panel, including advising on policy formation and holding the Cabinet to account in relation to specific issues and policy decisions.

5.7 Special Responsibility Allowance – Chairmen of Area Planning Committees

Recommendation 7	That the Special Responsibility Allowance relating to the Chairmen of Area Planning Committees be increased to reflect a multiple of 0.5 of the Basic Allowance.
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5.7.1 The Panel considered that the level of the allowance should be increased to reflect the responsibility of the role and the number of meetings required to attend, which as in the case of the Planning Committee, are public facing and often include items of a controversial nature.

5.8 Special Responsibility Allowance – Chairmen of Licensing, Licensing Act 2003, Pensions and Audit Committees

Recommendation 8	That the Special Responsibility Allowance relating to the Chairmen of Licensing, Licensing Act 2003, Pensions and Audit Committees be amended to reflect 0.33 of the Basic Allowance.
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5.8.1 Following consideration of this allowance, the Panel was minded to recommend that the level of the allowance be maintained in line with the existing allowance paid. The Panel felt the allowance reflected the responsibilities associated with the roles.

5.9 Special Responsibility Allowance – Vice Chairmen of Overview and Scrutiny Committee and Sub-Committees and Planning Committee

Recommendation 9	That the Special Responsibility Allowance relating to the Vice Chairmen of Overview and Scrutiny Committee and Sub-Committees and Planning Committee be amended to reflect 0.21 of the Basic Allowance.
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5.9.1 The Panel felt the level of this allowance fairly reflected the responsibilities of the roles and felt it should be maintained in line with the existing allowance paid.

5.9.2 The Panel reviewed whether allowances should be paid to Vice Chairmen of other committees but concluded that the current arrangements should be maintained, especially in light of the budget pressures facing the Council.

5.10 Special Responsibility Allowance – Staff Terms and Conditions Committee

Recommendation 10	That the Special Responsibility Allowance for the Chairman of the Staff Terms and Conditions Committee be removed from the Members' Allowances Scheme.
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5.10.1 In considering the representations received, the Panel concluded that the allowance for the Chairman of the Staff Terms and Conditions Committee should be removed from the Members' Allowances Scheme in light of the infrequency of meetings of this Committee.

5.11 Group Officer Allowances

Recommendation 11	(a) That the Group Officer Supplements be included as part of the Special Responsibility Allowances element of the Scheme and be renamed Group Officer Allowances. (b) That the overall Special Responsibility Allowance budget relating to Group Officer Allowances be amended to reflect a multiple of 1.5 of the Basic Allowance.
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	<p>(c) That the Group Officer Allowance be paid where there are six or more councillors in a group, as per the existing Members' Allowance Scheme.</p> <p>(d) That the Group Officer Allowance be paid to the Group Secretary of the Majority Group, Secretary of the Main Opposition Group and Group Leader and/or Group Secretary of an Opposition Group, the allocation of monies be determined by the Group.</p>
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5.11.1 The Panel considered representations made in relation to Group Officer Supplements. Following due consideration, the Panel agreed that it was appropriate to continue to include a Group Officer Allowance but that they should only be paid to a Group Leader and/or Group Secretary, and where there were six or more councillors in a group, as per the existing Members' Allowance Scheme. The Panel concluded that both roles were instrumental in supporting the smooth running of the Authority and the democratic process. The Panel was keen to ensure that the allowances allocated were relative to the number of councillors in a group, as this would reflect the volume of work undertaken.

5.11.2 The Panel recommended that the budget for Group Officer Allowances be calculated to reflect a multiple of 1.5 of the Basic Allowance (which is a modest reduction in comparison with the amount currently paid to groups as per the existing Members' Allowances Scheme). The proposed calculation is:

$$£11,732 \times 1.5 = £17,598 \div 67 \times \text{number of members in a group}$$

5.11.3 As the Leader and Deputy of the Council and Leader of the Main Opposition Group will receive a Special Responsibility Allowance as part of the proposed scheme, the Group Secretary of the Majority Group will receive the full allowance. The allowance will also be paid to the Group Leader and/or Group Secretary of an Opposition Group, the allocation of monies to be determined by each individual Group.

5.12 Allocation of Special Responsibility Allowances

Recommendation 12	That a councillor continues to only receive one Special Responsibility Allowance (which would be the higher amount), as per the current Members' Allowances Scheme.
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5.12.1 The Panel supported the approach taken within the existing Members' Allowances Scheme and recommended that a councillor should only receive one Special Responsibility Allowance, which would be the higher amount.

6. Co-optees Allowance

Recommendation 13	That allowances for co-optees be maintained at £49.00 per meeting and the £82.00 for attending meetings over four hours be removed.
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6.1 The current Scheme incorporated a co-optee' allowance for attending meetings of up to four hours duration and in excess of four hours. Allowances are not payable however

whereby a co-optee is given time off from his or her employer without any loss of earnings. The Panel recognised that the two allowances currently paid reflected that co-optees could be absent from work for either half a day or a full day.

6.2 The Panel acknowledged the important role played by co-optees but considered that the allowances paid by the Council were generous compared to those of other unitary authorities and therefore felt that the £82.00 for meetings of over four hours should be removed. The Panel was keen to ensure that this element was reviewed again in the future, if the changes had a negative impact on recruiting co-optees.

7. Dependent Carers' Allowances (per hour)

Recommendation 14	That allowances for Dependent Carers' Allowances (childcare and dependent carers') be amended so that the same amount paid for both elements, is in line with the national minimum wage.
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7.1 The current Scheme provided for a childcare and dependent care allowance to be paid towards the cost incurred by qualifying councillors on receipt of paid invoices. The amounts payable within the existing Scheme compared favourably with those of other local unitary authorities. It was noted that no allowance had been claimed over the last year for either allowance, however the Panel felt it was important to retain the allowances within the Council's Scheme so as not to discourage or preclude candidates from standing for local elections in the future.

7.2 Panel Members felt that the same amount per hour should be paid for both the allowances, in line with the approach taken by other local authorities. Therefore it was agreed that the amount should be increased in line with the national minimum wage going forward (£8.21 as at 1 April 2019).

8. Travelling and Subsistence Allowances

Recommendation 15	<p>That the current arrangements within the Scheme for travelling and subsistence be amended as follows:</p> <ul style="list-style-type: none"> • Mileage rates – 45p up to 10,000 and 25p for additional miles thereafter be applied to all car users • Bicycle rate - increase to 20p per mile • Business user allowance - to be removed • Availability of the Assisted Car Purchase Scheme - to be removed • Criteria 5(f) shown in the Members' Allowances Scheme of the approved duties at Appendix C be amended to read "Pre-arranged inter-political group meetings, with officers present, to which at least two groups are invited. (These meetings to be called by officers, '<i>after consultation and agreement of the groups,</i>' to take place on Council premises, to have specific topics and attendance to be authenticated by an appropriate signed document)."
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	<ul style="list-style-type: none"> • Subsistence allowance rates be maintained but only paid for duties carried out by Members outside the East Riding of Yorkshire.
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- 8.1 The Panel noted that the Scheme may provide for the payment to Members for an allowance in respect of travelling and subsistence, including an allowance in respect of travel by bicycle or by any non-motorised form of transport, undertaken in connection with or relating to such duties as are specified in the Scheme.
- 8.2 The mileage rates payable are the same as for officers, 45p per mile and the current bicycle rate 10 per mile. The Panel considered the travel rates paid by other authorities, most of which paid the same as the officer rate as set by Her Majesty’s Revenue and Customs (HMRC) and recommended that this should continue but that the bicycle rate should also be set in line with HMRC rates, therefore be increased from 10p to 20p per mile.
- 8.3 Consideration was given to the business user allowance currently payable under the Scheme, which was £963 per annum whereby a member exceeds 5,000 miles a year on Council business. Panel Members felt that as only two councillors had claimed this allowance over the last year it should be removed from the Scheme and mileage only paid at the 45p per mile up to 10,000 and 25p per mile for additional miles thereafter. This was in line with mileage payments made by other local authorities.
- 8.4 The Panel agreed that as no councillor had applied for the assisted car purchase scheme over the last year and only one councillor had applied over the last eight years, this element of the Scheme should be removed.
- 8.5 In relation to subsistence allowances, the Panel noted that the amounts paid compared generously with other local authorities and also noted that many other authorities only paid for subsistence when members were undertaking duties outside the local authority area. It was therefore recommended that the Scheme should be amended to reflect this approach and provide for subsistence allowances to only be claimed by councillors when undertaking duties outside of the East Riding of Yorkshire. The Panel was satisfied with the existing rates and felt these should be maintained and that indexation should be applied at the NJC Officers’ national pay award from April 2020.

9. Members’ Allowance Scheme – Effective Date of Proposed Changes

Recommendation 16	That the proposed changes be effective from 16 May 2019 and the revised Scheme revoke all previous Schemes on that date.
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- 9.1 The Panel recommended that the revised scheme incorporating its recommendations come into effect from the Council’s Annual Meeting on 16 May 2019.

10. Indexation - The nature of any indexing and for how long this should apply

Recommendation 17	<p>That the index for determining annual increases in Members' allowances be as follows:</p> <ul style="list-style-type: none">• Basic and IT Allowances – in line with NJC officers' national pay award• Special Responsibility Allowances – in line with NJC officers' national pay award• Co-optees Allowance – in line with NJC officers' national pay award• Dependent Carer' Allowance – in line with national minimum/living wage• Travel Allowances including bicycle rate – in line with HMRC rate• Subsistence – in line with NJC officers' national pay award <p><i>NB - the NJC pay award for Local Government employees for the period 2019 to 2023.</i></p>
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10.1 The Panel has maintained the general principle established by previous panels that any proposed increase should reflect current increases (or decreases) in public sector pay negotiations. Therefore it was proposed that the Members Allowance Scheme be index-linked to National Joint Council (NJC) pay award for Local Government employees, for the elements of the Scheme recommended above, with effect from the beginning of the financial year.

11. Conclusion

11.1 The Panel wishes to thank all Members and officers who contributed to the work of the Members' Allowances Panel in conducting the review. They hope that the Council can support the proposed revisions to the Members' Allowances Scheme and that the proposed changes can be achieved within existing budgets.

11.2 The Panel do however recognise that the political composition and structure of the Council may change after the local elections on 2 May 2019 and as such would be pleased to reconsider any elements of the proposed Scheme, as the Council may require.

Appendices

Appendix A – Summary of the Members' Allowances Panel Recommendations

Appendix B – Proposed Members' Allowances Scheme and Schedule

Appendix C – Current Members' Allowances Scheme and Schedule

Summary of the Members' Allowances Panel Recommendations

Recommendation 1	That the amount of Basic Allowance including the IT allowance be maintained and indexation applied at the NJC officers' national pay award from April 2020.
Recommendation 2	That the Special Responsibility Allowance relating to the Leader of the Council be amended to reflect a multiple of 3.22 of the Basic Allowance.
Recommendation 3	That the Special Responsibility Allowance relating to the Deputy Leader of the Council be reduced to reflect a multiple of 1.61 of the Basic Allowance.
Recommendation 4	That the Special Responsibility Allowance relating to Cabinet Members be amended to reflect a multiple of 1.3 of the Basic Allowance.
Recommendation 5	That the Special Responsibility Allowance relating to the Leader of the Opposition Group be increased to 0.6 of the Basic Allowance.
Recommendation 6	That the Special Responsibility Allowance relating to the Chairmen of Overview and Scrutiny Committee and Sub-Committees, Planning Committee and Review Panels be amended to reflect a multiple of 0.86 of the Basic Allowance.
Recommendation 7	That the Special Responsibility Allowance relating to the Chairmen of Area Planning Committees be increased to reflect a multiple of 0.5 of the Basic Allowance.
Recommendation 8	That the Special Responsibility Allowance relating to the Chairmen of Licensing, Licensing Act 2003, Pensions and Audit Committees be amended to reflect 0.33 of the Basic Allowance.
Recommendation 9	That the Special Responsibility Allowance relating to the Vice Chairmen of Overview and Scrutiny Committee and Sub-Committees and Planning Committee be amended to reflect 0.21 of the Basic Allowance.
Recommendation 10	That the Special Responsibility Allowance for the Chairman of the Staff Terms and Conditions Committee be removed from the Members' Allowances Scheme.

Recommendation 11	<p>(a) That the Group Officer Supplements be included as part of the Special Responsibility Allowances element of the Scheme and be renamed Group Officer Allowances.</p> <p>(b) That the overall Special Responsibility Allowance budget relating to a Group Officer Allowances be amended to reflect a multiple of 1.5 of the Basic Allowance.</p> <p>(c) That the Group Officer Allowance be paid where there are six or more councillors in a group, as per the existing Members' Allowance Scheme.</p> <p>(d) That the Group Officer Allowance be paid to the Group Secretary of the Majority Group, Secretary of the Main Opposition Group and Group Leader and/or Group Secretary of an Opposition Group, the allocation of monies be determined by the Group.</p>
Recommendation 12	That a councillor continues to only receive one Special Responsibility Allowance (which would be the higher amount), as per the current Members' Allowances Scheme.
Recommendation 13	That allowances for co-optees be maintained at £49.00 per meeting and the £82.00 for attending meetings over four hours be removed.
Recommendation 14	That allowances for Dependent Carers' Allowances (childcare and dependent carers") be amended so that the same amount paid for both elements, is in line with the national minimum wage.
Recommendation 15	<p>That the current arrangements within the Scheme for travelling and subsistence be amended as follows:</p> <ul style="list-style-type: none"> • Mileage rates – 45p up to 10,000 and 25p for additional miles thereafter be applied to all car users • Bicycle rate - increase to 20p per mile • Business user allowance - to be removed • Availability of the Assisted Car Purchase Scheme - to be removed • Criteria 5(f) shown in the Members' Allowances Scheme of the approved duties at Appendix C be amended to read "Pre-arranged inter-political group meetings, with officers present, to which at least two groups are invited. (These meetings to be called by officers, <i>'after consultation and agreement of the groups,'</i> to take place on Council premises, to have specific topics and attendance to be authenticated by an appropriate signed document)." • Subsistence allowance rates be maintained but only paid for duties carried out by Members outside the East Riding of Yorkshire.
Recommendation 16	That the proposed changes be effective from 16 May 2019 and the revised Scheme revoke all previous Schemes on that date.
Recommendation 17	That the index for determining annual increases in Members' allowances be as follows:

	<ul style="list-style-type: none">• Basic and IT Allowances – in line with NJC officers’ national pay award• Special Responsibility Allowances – in line with NJC officers’ national pay award• Co-optees Allowance – in line with NJC officers’ national pay award• Dependent Carer’ Allowance – in line with national minimum/living wage• Travel Allowances including bicycle rate – in line with HMRC rate• Subsistence – in line with NJC officers’ national pay award <p><i>NB - the NJC pay award for Local Government employees for the period 2019 to 2023.</i></p>
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EAST RIDING OF YORKSHIRE COUNCIL

REPORT OF THE MEMBERS' ALLOWANCES PANEL - JULY 2019

1. INTRODUCTION AND BACKGROUND

- 1.1 The law requires the Council to make a scheme that provides for the payment of allowances each year to each member of the authority. Where the Council seeks to review any aspect of its scheme it must first take account of any recommendations from the Independent Remuneration Panel (Members' Allowances Panel) established for this purpose.
- 1.2 The Panel is required to make recommendations on the Members' Allowances Scheme, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 1.3 The membership of the Panel comprises:
- Beverley Porritt (Chair)
Peter Robinson
Hazel Smith
David Waxman
- 1.4 The Members' Allowances Panel has recently undertaken a full review of the existing scheme of allowances for councillors and a report with their findings and recommendations was submitted to the Annual Meeting of Council on 16 May 2019. All the Panel's recommendations were endorsed by the Council, with the exception of the Special Responsibility Allowance for the role of Deputy Leader.
- 1.5 The Council resolved to ask the Panel to reconsider the Special Responsibility Allowance for the Deputy Leader in light of changes which had been made to the key areas of responsibility of this role; and in the interim the Deputy Leader continue to be paid the current Special Responsibility Allowance rate. The Panel has therefore met to consider this element of the Scheme and their findings and recommendations are detailed within this report.

2. SPECIAL RESPONSIBILITY ALLOWANCE FOR THE DEPUTY LEADER

- 2.1 The Panel had recommended previously (as approved by Council on 16 May 2019) that the Members' Basic Allowance should be used as the baseline for determining Special Responsibility Allowances for the Leader of the Council, Deputy Leader of the Council, Leader of the Main Opposition Group, Cabinet Members, Chairmen and Vice Chairmen and Group Allowances.
- 2.2 The Council had also endorsed the Panel's recommendation that a councillor should only receive one Special Responsibility Allowance (which would be the higher amount) and that indexation be applied in line with the NJC officers' national pay award from April 2020.
- 2.3 The Panel had recommended that the Special Responsibility Allowance relating to the Deputy Leader of the Council be calculated to reflect a multiple of 1.61 of the Basic Allowance.

- 2.4 In reconsidering the Special Responsibility Allowance for the role of Deputy Leader, the Panel considered the changes which had been made to the role and responsibilities of the Deputy Leader. The role had now taken on responsibility for Public Health and Member Development, in addition to having responsibility for Strategic Partnerships including Health, Policy Development, Transformation and Performance. The Panel also considered research which had been undertaken in relation to allowances for Deputy Leader in comparison with other unitary local authorities and the financial implications of changing this element of the Scheme.
- 2.5 In conclusion the Panel agreed to recommend that the Special Responsibility Allowance for the Deputy Leader be calculated to reflect a multiple of twice the Basic Allowance, to reflect the additional responsibilities of the role. The proposed change could be achieved within existing budgets.
- 2.6 A copy of the Scheme and Schedule of Members' Allowances, including the proposed Special Responsibility Allowance for the Deputy Leader, is attached at Appendix A.

Recommendation	That the Special Responsibility Allowance relating to the Deputy Leader of the Council be calculated to reflect a multiple of twice the Basic Allowance (£23,464).
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EAST RIDING OF YORKSHIRE COUNCIL

MEMBERS' ALLOWANCES SCHEME

1. Basic Allowance

- 1.1 A basic allowance is payable to each Member as per Schedule 1.
- 1.2 Information technology allowances are payable as per Schedule 1 towards the costs incurred by Members on receipt of itemised paid invoices.

2. Special Responsibility Allowances

- 2.1 Special responsibility allowances are payable to the Members specified as per Schedule 1.
- 2.2 Special responsibility allowances are not cumulative and only the highest single allowance applicable is payable to any one Member.

3. Co-optees Allowances

- 3.1 Co-optees allowances are payable as per Schedule 1 for attendance at relevant meetings.
- 3.2 Allowances are not payable where co-optees are given time off work from their employers without any loss of earnings.

4. Carers Allowances

- 4.1 Childcare and dependant carer allowances are payable as per Schedule 1 towards the costs incurred by qualifying Members on receipt of paid invoices.
- 4.2 Both allowances are the same as the national minimum wage.

5. Travelling and Subsistence Allowances

- 5.1 Travelling and subsistence allowances are payable as per Schedule 1 to Members for attendance at the following –
 - (a) Meetings of the Council, the Cabinet, Committees or Sub-Committees.
 - (b) Such other duties as are approved in advance by the Council, the Cabinet, Committees or Sub-Committees.
 - (c) Seminars organised by departments of the Council or otherwise approved by the Council, the Cabinet, Committees or Sub-Committees.
 - (d) Attendance at meetings with officers, Members or constituents on legitimate Council business.
 - (e) Political group meetings.

- (f) Pre-arranged inter-political group meetings, with officers present, to which at least two groups are invited. (These meetings are to be called by officers after consultation and agreement of the Groups,, to take place on Council premises, to have specific topics and attendance to be authenticated by an appropriate signed document).
- (g) Outside bodies as agreed by the Group Secretaries and authorised by the Council.
- (h) Parish and town council meetings.
- (i) Such other duties as are approved in advance by the Chief Executive in consultation with the Director of Corporate Resources and any claims disallowed, at the request of the Member, be referred to the Members' Allowances Panel in the form of a written submission, any requests to be considered on a quarterly basis

5.2 The mileage rates payable are the same as HMRC' rates, which are reviewed nationally each year.

6. Claims and Payments

6.1 Basic and special responsibility allowances are paid monthly in advance. Claims for the information technology allowances should be made in writing to the Director of Corporate Resources, together with supporting receipts.

6.2 Claims for co-optees, carers, travelling and subsistence allowances should be made on the approved forms, together with supporting receipts, to the Director of Corporate Resources within two months of the date of the duty in respect of which the entitlement to the allowances arise.

6.3 A Member may, by notice in writing given to the Director of Corporate Resources, elect to forgo any entitlement to an allowance under the Scheme.

6.4 Where a Member is suspended or partially suspended from his/her responsibilities or duties as a Member of the Council the part of the allowances payable to him/her in respect of the period for which he/she is suspended or partially suspended will be withheld, or repaid where already paid.

6.5 In the event of any amendments to the Scheme, changes in Members' special responsibilities or terms of office which vary the basic and/or special responsibility allowances, the amounts payable are calculated pro rata to the number of days in the year ending 31 March.

7. Indexation

7.1 The basic, special responsibility, group officer allowance, co-optees and subsistence allowances are increased on 1 April each year in line with the NJC officers' national pay award. Mileage rates, including bicycle, are the same as the HMRC rate which are reviewed nationally each year.

EAST RIDING OF YORKSHIRE COUNCIL
MEMBERS' ALLOWANCES - SCHEDULE 1 (JULY 2019)

		£
1.	Basic Allowance	
	(a) All Members (per annum)	11,732
	(b) IT Initial	384
	(c) IT Maintenance (per annum)	136
2.	Special Responsibility Allowances (per annum)	
	(a)	
	Leader of the Council and Leader of the Majority Group	37,777
	Deputy Leader of the Council and Deputy Leader of the Majority Group	23,464
	Other Cabinet Members	15,252
	Leader of the Main Opposition Group	7,039
	(b) Overview and Scrutiny, Overview Management Committee & Planning & Review Panels - Chairmen	10,089
	(c) Overview and Scrutiny, Overview Management Committee & Planning Committee Vice Chairmen	2,464
	(d) Area Planning Sub Committee Chairmen	5,866
	(e) Licensing, Licensing Act 2003, Pensions & Audit Committee Chairmen	3,871
3.	Group Officer Allowance (per annum)*	
	(f) Majority Group Secretary (48)	12,607
	Main Opposition Group Secretary (8)	2,101
	Opposition Group Leader and/or Secretary (7)	1,838

*Calculation for the Group Officer Allowance is shown below

Basic Allowance 11,732 x 1.5 = £17,598 ÷ 67 (number of elected members)
x number of members in a group

To be paid where there are six or more councillors in a group

The allowance be paid to a Group Leader and/or Group Secretary of an
Opposition Group, the allocation of monies be determined by the Group

Hull City Council

Independent Remuneration Panel & Members' Allowances Scheme

16 May 2019

Wards: All

Review of the Council Members' Allowances Scheme
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Report of the Independent Remuneration Panel

This item is not exempt
Therefore exempt reasons are not applicable

1. Purpose of the Report and Summary

- 1.1 To provide recommendations to Council arising from the four yearly review of the existing Council Member Allowances Scheme by the Independent Remuneration Panel (IRP).

2. Recommendations

- 2.1 That in terms of the Members Basic Allowance, the Scheme be updated for 2019/20 as follows:
- The Basic Allowance is maintained at its current level, and following the review of the National Pay Spine (which breaks the established link between the Members Basic Allowance and Spinal Point 15) the allowance continues to be adjusted on an annual basis in line with the National Pay Award.
 - That following the changes to the National Pay Spine and the absence of a 'like for like' replacement, the link between Spinal Point 15 and the Basic Allowance is removed, and the formula is updated to incorporate the link to the National Pay Award.
 - That the Basic Allowance is adjusted in line with the National Pay Award of 2%, rising to £13,380 in 2019/20, and the Special Responsibility Allowances are adjusted in line with the increase.
- 2.2 That a Special Responsibility Allowance (SRA) is introduced for the Chair of the Council's Appeals Committee, at 25% of the Leader's SRA.

2.3 Pending agreement of the above changes, the Member Allowances for 2019/20, as outlined at Appendix 1, are adopted with immediate effect.

2.4 The scheme be subject to an interim review in 2021

3. Reasons for Recommendations

3.1 To retain the Members' Allowance Scheme in its current form and at current levels, while recognising the need to respond to changes to the National Pay Spine, which impact on how the Basic Allowance is calculated.

3.2 To ensure the Chair of the Appeals Committee is suitably remunerated for the level of responsibility and time commitment associated with the role.

3.3 To ensure the updated Members' Allowances Scheme for 2019/20 can be implemented with immediate effect.

3.4 To enable the IRP to ensure that no unfairness is arising from the application of the scheme.

4. Background

4.1 The Local Authorities (Members Allowances) (England) Regulations 2003 set out the provisions in respect of Members' Allowances Schemes. The regulations require Councils to establish and maintain an IRP which will have full power to exercise the functions contained within the regulations and to make recommendations to Councils regarding Members' allowances and any incidental matters. It is for Councils to agree their scheme of Members' allowances having regard to the recommendations made by an IRP.

4.2 Any scheme agreed by a Council will be in place for not more than four years and should be reviewed during that time. The scheme for allowances was agreed in June 2015 and reviewed in November 2017. The IRP has undertaken a review to inform the development of the recommendations to Council so that a revised scheme can be considered by Council in May 2019.

4.3 In reviewing the scheme, the IRP had regard to the fact that income received as an 'office holder' is charged as 'employment income' for taxation purposes. While the income is treated for taxation purposes as 'employment income' it is in practice an allowance to reflect that some part of what a Councillor does is the voluntary unremunerated commitment of time, akin to trustees on a charitable body, balanced against the need to ensure that potential Councillors are not deterred from seeking office by the prospect of financial loss (see HMRC Guidance EIM00510).

- 4.4 In preparing their recommendations the IRP took into account the extensive work undertaken in 2015 and 2017, plus comparator data relating to other local authority schemes. The IRP also consulted each of the Group Leaders on the Council.
- 4.5 In collating the local authority data the IRP used comparator data from the Council's CIPFA family (Chartered Institute for Public Finance and Accountancy).

5. Issues for Consideration

Group Leader Representations

- 5.1 **Labour Group Leader** – The Labour Group Leader attended the Panel on Thursday, 18 April, 2019:
- Councillor Brady had no issues with the current Members' Allowance Scheme which he considered to be working well.
 - Councillor Brady believed the Chair of the Council's Appeals Committee should receive a SRA based on the demands associated with the position. He explained that the Committee often dealt with complex cases that could run over the course of two full days. The Chair was required to lead that process and prepare appropriately. He also believed attaching an SRA to the position would encourage more Members to consider taking on the role in future.
- 5.2 **Liberal Democrat Group Leader** - The Liberal Democrat Group Leader was not available to attend the meeting but commented as follows:
- Councillor Ross explained that he did not believe it was right to increase the number of SRAs at the Council. There had been a move to reduce the size of the SRAs, such as reducing the SRA for other Committee Chairs. There seemed little need to add a further SRA. He also felt there was little justification in an SRA for the Chair of the Appeals Committee in terms of the amount of work involved.
- 5.3 **Conservative and Unionist Group Leader** – The Conservative and Unionist Group Leader was not available to attend the meeting but commented as follows:
- Councillor Fareham proposed linking the Basic Allowance to the lowest spinal point on the National Pay Spine with Members being eligible for the same enhancements as Council staff

- Councillor Fareham believed that the SRA awarded to the Chairs of the Planning Committee, Licensing Committee and Overview and Scrutiny Management Committee were set at too high a level given the respective workloads and level of responsibility.
- Councillor Fareham believed the Chair of the Council's Appeals Committee should receive a SRA based on the level of responsibility and time commitment associated with the position. He proposed that the SRA should be set at £3,000 per annum.
- Councillor Fareham suggested it may be prudent to review the expenses element of the Basic Allowance given recent technological developments, their impact on Councillor Caseloads, and the associated costs.

Basic Allowance 2019/20

5.4 As part of its review the IRP considered whether Members' basic allowance of £13,118 (2018/2019) was set at an appropriate level. In order to support that process the IRP considered the latest comparator data, contained at Appendix 3, analysis undertaken during 2017, and evidence received from the Group Leaders.

5.5 The current formula for setting the Basic Allowance is:

Spinal Point 15 (on the National Pay Spine) minus 25%

(The 25% deduction reflects the public service element of the elected Members' role.)

5.6 The IRP noted that if the National Pay Award of 2% was applied to the Basic Allowance, the allowance would rise to £13,380 in 2019/20.

5.7 Councillor Brady commented that the current system was working well. Councillor Ross did not submit any comments in relation to the Basic allowance.

5.8 Councillor Fareham proposed linking the Basic Allowance to the lowest spinal point on the National Pay Spine with Members receiving the figure in full, plus staff enhancements. The IRP concluded that while the national pay spine had proved useful in determining the level at which the allowance was set, Members were remunerated for their time commitment rather than the duties associated with a specific spinal point. The IRP also noted that if the Basic Allowance was aligned to newly established SPD 1, it would rise from £13,118 in 2018/19 to £17,364 in 2019/20.

- 5.9 The IRP also considered Councillor Fareham's comments regarding expenses and how technological advancements had changed the way Members undertook casework, which included the need for a home internet connection. The IRP noted the comments but recognised that Members received IT and mobile telephony equipment through the Council and any additional costs are expected to be met through the Basic Allowance. As no other representations were made in this area, the IRP were content no adjustments were necessary.
- 5.10 After considering all the information at their disposal the IRP concluded that it was not necessary to propose any changes to the level at which the Basic Allowance was set. However changes to the National Pay Spine meant the IRP had to revisit the link between the Basic Allowance, Spinal Point 15 and the formula used to calculate the allowance on an annual basis.

Changes to the National Pay Spine – Basic Allowance Formula

- 5.11 The review of the National Pay Spine resulted in a major restructure, including a significant reduction in the overall number of spinal points. In addition, employees towards the bottom of the pay spine received an uplift which was over and above the 2% National Pay Award.
- 5.12 As a result of the changes, the old Spinal Point 15 is now aligned to the new Spinal Point 5, which if directly applied to the current formula, would see the Basic Allowance rise by 7.45% in 2019/20. The IRP did not feel such a rise would be appropriate.
- 5.13 The IRP also noted that there was no 'like for like' fit and any move to align the Basic Allowance to one of the new spinal points would require an adjustment that was not in line with the 2% National Pay Award.

Please see Appendix 2 for more information.

- 5.14 As outlined earlier in the report while the IRP recognised the use of Spinal Point 15 in establishing the level at which the Basic Allowance was set, it was content that the allowance should remain at its current level and continue to be adjusted in line with the National Pay Award, removing the link to the National Pay Spine.

Appeals Committee Chair - Special Responsibility Allowance

- 5.15 The IRP considered the possibility of introducing an SRA for the Chair of the Appeals Committee, based on the level of responsibility and time commitment associated with the position. The proposal was supported by Councillors Brady and Fareham. Councillor Fareham suggested the SRA should be set at £3000k per annum. Councillor Ross did not support the proposal as he believed enough positions already received an SRA.

- 5.16 The IRP established that while the position was not public facing, it did carry a high level of responsibility given the gravitas and complexity of the caseloads, as well as a significant unscheduled time commitment.
- 5.17 After comparing the demands of the position with those of the existing SRAs, and the available comparator data, the IRP concluded that it would be practical for the SRA to be set at 25% of the Leader's SRA. The SRA would be in line with those afforded the Chairs of the Area Committees and Scrutiny Commissions, maintaining the link to the basic allowance and Leader's SRA. There would also be scope to review the SRA as part of the interim review in 2021.
- 5.18 After applying the National Pay Award of 2% the Chair of the Appeals Committee would receive an SRA of £6,690 in 2019/20.

Special Responsibility Allowances - 2019/20

- 5.19 The IRP also reviewed the rates for the existing SRAs cross referencing them with the schemes of comparator authorities. Please see Appendix 3 for more information.
- 5.20 Councillors Brady commented that the current system was working well. Councillor Ross made no comment. Councillor Fareham commented that the SRA awarded to the Chairs of the Planning Committee, Licensing Committee and Overview and Scrutiny Management Committee were set at too high a level given the respective workloads and level of responsibility.
- 5.21 Based on the latest comparator data, analysis undertaken in 2017, and evidence received from the Group Leaders, the IRP did not consider it necessary to propose any adjustments to the levels at which the existing SRAs were set.

6. Consultation

- 6.1 Each of the Group Leaders was invited to give evidence to the IRP as part of the review.

7. Comments of the Monitoring Officer(Town Clerk)

- 7.1 The Local Authorities (Members Allowances) (England) Regulations 2003 set out the provisions in respect of Members Allowances Schemes. It is for councils to agree their scheme of members' allowances having regard to recommendations made by an IRP. The recommendations maintain the current policy in relation to allowances with the exception of the provision of a Special Responsibility Allowance for the Chair of Appeals Committee. The rationale for the proposed change is noted. This will create a minor pressure on the relevant budget.

8. Comments of the Section 151 Officer (Director of Finance and Transformation)

8.1 The s.151 Officer observes that the recommendations follow a review process which is rational, objective, and has involved relevant consultation. The cost implications of the proposed changes are affordable and the recommendations are supported.

9. Comments of the City Human Resources Manager and compliance with the Equality Duty

9.1 There are no staffing or equality issues arising from the review. As regards the appeals committee, this currently involves determining some employment matters, this is not a statutory requirement, other Councils have moved away from this model.

10. Comments of Overview and Scrutiny

10.1 This report has not been subject to Overview and Scrutiny (Sc5366).

11. Comments of the Portfolio Holder

11.1 Portfolio Holder comments are not applicable as the report has been produced by the Independent Remuneration Panel and the recommendations are due to be presented to all Councillors at Full Council in May 2019.

Ian Anderson, Town Clerk

Contact Officer: Antony Spouse, Scrutiny Officer

Telephone No.: Ext. 3712

Officer Interests: None

Background Documents: Hull City Council Constitution

Implications Matrix

This section must be completed and you must ensure that you have fully considered all potential implications

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are	Yes

included within the report	
I have included information about how this report contributes to the City Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	Yes

Draft Member Allowance Scheme 2019-20

	£
Basic Allowance (All Councillors)	13,380
A Special Responsibility Allowance is paid in addition to the Basic Allowance	
Leader of the Council (Basic Allowance x 2)	£26,760
Deputy Leader of the Council (75% of Leader SRA)	£20,070
Cabinet Member (63% of Leader SRA)	£16,859
Leader of the Opposition (50% of Leader SRA)	£13,380
Chair of the Health and Wellbeing Board (63% of Leader SRA)	£16,859
Chair of Licensing (50% of Leader's SRA)	£13,380
Chair of Planning (50% of Leader's SRA)	£13,380
Chair of Overview and Scrutiny Management Committee (50% of Leader's SRA)	£13,380
Chairs of Overview and Scrutiny Commissions (25% of Leader's SRA) (Limited to a maximum of 6)	£6,690
Chairs of Area Committees (25% of Leader's SRA) (Limited to a maximum of 7)	£6,690
Chair of Appeals Committee (25% of Leader's SRA)	£6,690

The 2019/20 allowances include an uplift of 2% in line with the National Pay Award.

Changes to the National Pay Spine and Basic Allowance Formula

1.1 The current formula for calculating the Members basic allowance is Spinal Point 15 minus 25%.

1.2 Agreement was reached between the National Employers and the National Joint Council (NJC) Trade Union Side on rates of pay applicable from 1 April 2019. The agreement also included the introduction of a new National Pay Spine. The changes have seen a reduction in the number of spinal points used, and employees towards the bottom of the pay spine, have received a pay award over and above the 2% National Pay Award.

1.3 The changes to the pay spine means the link between spinal column point 15 and the Members Basic Allowance is no longer applicable.

SCP 1.4.18	New Grade 1.4.19	New SCP 1.4,19	£ per annum	75% of Spinal Point	Variance
6	Grade 1 (1 SCP)	1	£17,364		
7	Grade 2 (3 SCP)	1	£17,364		
8		2	£17,711		
9		2	£17,711	£13,283	+£165 +1.26%
10		3	£18,065	£13,548	+£430 +3.27%
11	Grade 3 (3 SCP)	3	£18,065		
12		4	£18,426		
13		4	£18,426		
14		5	£18,795		
15	Grade 4 (3 SCP)	5	£18,795		
16		6	£19,171		

1.4 Spinal Point 15 (£17,972) is now aligned to Spinal Point 5 (£18,795), and includes an uplift of £823, well above 2% the National Pay Award.

1.5 Unfortunately there is no simple “like for like” spinal point fit that incorporates a 2% increase in line with the National Pay Award. (If the National Pay Award was applied to the current Basic Allowance of £13,118 the figure for 2019/20 would be £13,380.) The nearest equivalent appears to be Spinal Point 2, which would see the basic allowance rise to £13,283, but would only represent an increase of 1.26% (£165) not 2%. Aligning the formula to spinal point 3 would see the basic allowance rise by £430, or 3.27%, well above the National Pay Award.

PART D2**MEMBERS' ALLOWANCE SCHEME**

The Independent Remuneration Panel is a statutory committee made up of three independent people with responsibility for providing to the Council advice on its scheme of allowances.

Kingston upon Hull City Council, in exercise of the powers conferred by the Local Authority (Members' Allowances) (England) Regulations 2003 has made the following Scheme, having had regard to the report of the Independent Remuneration Panel dated May 2015.

1. Citation

- 1.1 This scheme may be cited as the Kingston upon Hull City Council Members' Allowances Scheme, and has effect from 21 November 2017 to 31 May 2019 or until amended or revoked. All previous schemes are revoked by the introduction of this scheme.

2. Definitions

- 2.1 This Scheme shall be called "The Kingston upon Hull City Council Members' Allowances Scheme".

- 2.2 In this Scheme:

"Councillor" means an elected Member of Kingston upon Hull City Council.

"Co-optee" means a person who is not a member of the authority but who is a member of a committee or sub-committee of the authority.

"Year" means the municipal year from 21 May 2015 to 19 May 2016 and thereafter each succeeding municipal year.

3. Basic Allowance (BA)

- 3.1 The basic allowance is a flat rate sum paid to all Councillors of the amount specified in Schedule 1 (subject to Paragraphs 5 and 10). It is in recognition of the time devoted and expenses incurred by Councillors in carrying out their duties, including telephone, postage, office expenses and travel and subsistence within the City boundary.

- 3.2 The Council may in addition provide IT equipment and mobile telephony to Councillors to support them in the fulfilment of their role, However, in the event that a Councillor determines not to accept equipment made available by the Council, this does not entitle that Councillor to a compensatory payment.

4. **Special Responsibility Allowances (SRAs)**

- 4.1 Each year SRAs are payable to those Councillors who hold special responsibilities in relation to the authority that are specified in Schedule 1. The payment shown is in addition to the basic allowance.
- 4.2 Subject to paragraphs 4.3, 4.4, 5 and 10, the amount of such allowance is shown against each responsibility in Schedule 1.
- 4.3 Only one SRA is payable per councillor and where a councillor is eligible to receive more than one allowance, the higher allowance will be paid.
- 4.4 Where a councillor is also a member of another authority, he/she may not receive allowances from more than one authority in respect of the same duties.

5. **Part Year Payments**

- 5.1 If, in the course of a year, this Scheme is amended or a councillor becomes or ceases to be a councillor, or a councillor receives or ceases to have, special responsibilities, then all allowances payable to him/her shall be adjusted on a pro rata basis.

6. **Co-optees' Allowance**

- 6.1 Subject to paragraphs 5 and 10, an allowance shall be paid to co-optees as specified in Schedule 2.
- 6.2 Co-optees are entitled to receive travel expenses for attendance at approved meetings within the City boundary **ONLY** if they do not claim the co-optees allowance.
- 6.3 Claims for co-optees' allowances shall be made within 3 months of the date on which the entitlement to any such allowance arises. Any claims received after 3 months will not be approved except where the Town Clerk determines that there are exceptional circumstances that prevented the claim being submitted within the time limit.

7. **Dependants' Carers' Allowance (DCA)**

- 7.1 Where the councillor is absent on duties specified in regulation 7 of the Local Authorities (Members Allowance) (England) Regulations 2003 and needs to engage carers, then an allowance in respect of the expenses of arranging for the care of members' children under the age of 16 or dependants where there is medical or social work evidence that care is required. The maximum rates are set out in schedule 3 and are subject to the member observing the protocol on the claims procedure, eligibility criteria etc. The carer must not be a member of the councillor's household or close family.
- 7.2 Claims for dependants' carers' allowances shall be made within 3 months of the date on which the entitlement to any such allowance arises. Any claims received after 3 months will not be approved except where the Town Clerk determines that there are exceptional circumstances that prevented the claim being submitted within the time limit.

8. **Travelling and Subsistence**

- 8.1 The travel and subsistence allowances specified in Schedule 4 shall apply for such duties that are specified in Regulation 8 of the Local Authorities (Members' Allowances) (England) Regulations 2003 that are undertaken outside of the City Council's area.
- 8.2 No travel and subsistence allowances will be approved for duties within the City boundary, except for travel expenses for disabled Councillors made in accordance with paragraph 9 and for co-optees in accordance with paragraph 6.2.
- 8.3 Claims for travel and subsistence allowances under this scheme shall be made within 3 months of the date on which the entitlement to any such allowance arises. Any claims received after 3 months will not be approved except where the Town Clerk determines that there are exceptional circumstances that prevented the claim being submitted within the time limit.
- 8.4 Receipts must be produced in support of any travel and subsistence claims (including mileage).
- 8.5 Only actual expenditure incurred will be reimbursed up to the maximum amounts specified in Schedule 4.

9. **Travel Expenses for Disabled Councillors**

- 9.1 While the Basic Allowance paid to a Councillor includes provision toward travel expenses incurred within the City Boundary, it is recognised that Councillors with a disability may incur expenses in connection with the requirements of the role of a Councillor¹ that would not arise in relation to able bodied peers and which are not covered by statutory allowances (eg Disability Living Allowance/Personal Independence Payment). It is a key principle that no Councillor should be disadvantaged as a consequence of their disability. have no private transport and are unable to use public transport because of their disability, can claim travel expenses within the City boundary.
- 9.2 Where a Councillor incurs travel expenses within the City boundary beyond that which would be incurred by an able bodied colleague and which are not covered by statutory allowances, the Councillor may submit a claim for such expenses to the Town Clerk.
- 9.3 The payment of such expenses is conditional upon the provision of satisfactory evidence to the Town Clerk, who may then authorise these expenses.
- 9.4 The Council's nominated private hire company should be used for all official journeys within the City using the Council's agreed procedures unless in the opinion of the Town Clerk it is reasonable in all the circumstances to use another private hire company, when the actual fare for travel, plus a reasonable gratuity, will be refunded to the Councillor upon the production of a receipt.
- 9.5 Claims for travel expenses shall be made within 3 months of the date on which the entitlement to any such allowance arises. Any claims received after 3 months will not be approved except where the Town Clerk determines that there are exceptional circumstances that prevented the claim being submitted within the time limit.

10. **Renunciation**

- 10.1 A councillor or co-optee may by notice in writing given to the Director of Resources and City Treasurer elect to forego any part of their entitlements to an allowance under this Scheme for a particular year or part of a year.

11. **Pensions**

- 11.1 Councillors elected to a new term of office subsequent to April 2014 are no longer entitled to access to the Local Government Pension

¹ As set out in the Local Government Association Publication the Councillors' Guide <https://www.local.gov.uk/councillors-guide-2017-desktop-use>

Scheme made under section 7 of the Superannuation Act 1972. For the duration of the period that a Councillor remains entitled to access to the Local Government Pension Scheme, both the basic allowance and the special responsibility allowance are to be treated as amounts in respect of which pensions are payable.

- 11.2 If a Councillor member leaves office the member's retirement pension and grant is required to be reduced where required in guidance issued by the Government Actuary unless the Authority determine *on compassionate grounds* that the member's retirement pension and grant should not be so reduced. Under regulation 106 of the Local Government Pension Scheme Regulations 1997 the Council is required to adopt and maintain a policy in relation to early leavers from the pension scheme. The discretion to waive the actuarial reduction of pension in relation to Councillor Members of the Local Government Pension Scheme will be exercised by the Head of Paid Service following consultation with the Leaders of all Political Groups on the Council from time to time. Where there is no consensus the guidance of the Independent Remuneration Panel can be sought.
- 11.2.1 Except where a member is seeking waiver of the actuarial reduction of pension as a consequence of ill health, the policy is that the discretion to waive the reduction of actuarial benefits on compassionate grounds, will be restricted to Councillor Members:
- (a) who have been elected to serve and have served a minimum of three period of office (12 years), and
 - (b) who lack financial means.

12. **Payment Arrangements**

- 12.1 Payment of basic and special responsibility allowances will be made in instalments of one-twelfth of the annual amount due and will be paid through the Council's payroll system on the same date as that applicable to employee salaries.

12.2 Payment of other allowances (except co-optees allowance –see paragraph 12.4) will be made on submission of a fully completed claim form with appropriate receipts (see paragraph 8.4) and will be paid through the Council's payroll system on the same date as that applicable to employee salaries.

12.3 Where an overpayment has been made to a Councillor, it will be recovered subsequently through a deduction from any allowances due to that Councillor or through the issue of an official invoice.

12.4 Payment of claims by co-optees will be made on submission of a fully completed claim form with appropriate receipts.

13. **Indexation**

- 13.1 The Basic allowance, the Co-optee's allowance and Travel and subsistence allowances will be increased annually on 1st April, in line with the Council's approved rates for employees.
- 13.2 The detailed arrangements in relation to Elected members are articulated at paragraph 15 of the scheme below.

14. **Duration of the Scheme**

- 14.1 The scheme will be subject to periodic reviews
- 14.2 The next full review of the Scheme will be in 2018/19 to enable implementation with effect from May 2019.
- 14.3 The Scheme may be reviewed in whole or in part if the Council considers that any aspect needs amendment or clarification and an interim review of Special Responsibility Allowances will be undertaken in 2017.

15. **Provision for automatic increase**

- 15.1 The basic allowance for elected members of Council is automatically increased annually in line with a sum equivalent to local government pay scale SCP 15 discounted by 25% 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 of time committed to the role is compensated. The basic allowance also includes an element for telephone, postage and travel within the city boundary.

Allowances 2019-2020

	£
Basic Allowance (All Councillors)	13,380
<u>Special Responsibility Allowances (paid in addition to the Basic Allowance*</u>	
Leader of the Council (Basic allowance x 2)	26,760
Deputy Leader of the Council (75% of Leader's SRA)	20,040
Cabinet Member (63% of Leader's SRA)	16,858.80
Leader of the Opposition (50% of Leader's SRA)	13,380
Chair of the Health and Wellbeing Board (63% of Leader's SRA)	16,859
Chair of Licensing (50% of Leader's SRA)	13,380
Chair of Planning (50% of Leader's SRA)	13,380
Chair of Overview & Scrutiny Management Committee (50% of Leader's SRA)	13,380
Chairs of Overview and Scrutiny Commission (25% of Leader's SRA) (limited to a maximum of 6)	6,690
Chair of the Appeals Committee (25% of Leaders SRA)	6,690
Chairs of Area Committees (25% of Leader's SRA) (limited to a maximum of 7)	6,690

If the Chair of the Health & Wellbeing Board, Overview and Scrutiny Management Committee, Overview and Scrutiny Commissions, Licensing, Planning, Appeals or Area Committees is absent and their absence is covered by another Councillor (e.g. the relevant Deputy-Chair), then providing that the Councillor undertakes the full role and duties of the Chair, he/she will receive a payment based on a proportion of the Chair's SRA on a pro-rata basis, the amounts being claimed retrospectively.

SCHEDULE 2
Co-optees Allowance 2019-2020
(Chair of Audit Committee allowance subject to review)

£ 36.14 for half a day (four hours or less).

£ 72.28 for a whole day (more than four hours).

Chair of Audit Committee - £494.00 a year (in place of the daily rate).

SCHEDULE 3

Childcare and Dependant Carers Allowances

Rates:

Childcare and Dependant carers allowance at:	£5.20 per hour
<u>Maximums:</u>	
For essential Council business inside the City:	Max of 25 hrs per calendar month
For essential Council business outside the City:	Max of £30 per day
<u>Criteria:</u>	
•	Receipts must be provided to support the number of hours claimed.
•	The carer must be registered.
•	If the person is not registered then authorisation must be sought from the Budget Holder prior to a claim being submitted.
•	When a claimant uses close family members no allowance will be paid.
•	A dependant relative will be defined as a relative with a disabled or nursing requirement who needs temporary or permanent full-time care.
•	Evidence of need will be required to support the requirement for care in relation to Dependant Carers Allowance.

SCHEDULE 4

Travel and Subsistence Expenses

Travel

(a)	Travel within the City boundaries is covered by the Basic Allowance.	
(b)	Travel outside the City boundaries will be paid in accordance with the Members' Travel and Subsistence Policy :-	
	(i)	In general, all travel undertaken must be via the most economical route at the lowest possible expense to the City Council, other than in exceptional circumstances when authorised by the Budget Holder, or in unforeseen or emergency situations.
	(ii)	Travel on public transport should be in second class/standard accommodation.
	(iii)	The current rate for all car users is 45p per mile

Subsistence

(a)	Payments will be made in accordance with the Members Travel and Subsistence Policy. Subsistence within the City boundary is covered by the Basic Allowance	
(b)	The actual cost of meals and overnight expenses will be reimbursed subject to the claim being authorised by the Budget Holder as reasonable.	
(c)	Guideline rates for individual meals and subsistence, for the purpose of assessing reasonableness, are as follows:-	
	Breakfast	£8.49
	Lunch	£11.71
	Tea	£4.60
	Evening meal	£14.83
	For an approved duty requiring overnight absence away from home	£101.17
	For an approved duty requiring overnight absence away from home in London or at an approved conference	£115.39

(d)	Where a meal is provided free of charge, meal expenses cannot be claimed.
(e)	Where a main meal is taken on a train the reasonable cost of the meal (including VAT) will be reimbursed, provided that it is during a period for which there is entitlement to reimbursement for a meal.

North East Lincolnshire Council

Independent Remuneration Panel & Members' Allowances Scheme

COUNCIL

DATE	14 th December, 2017
REPORT OF	Director of Governance, Democracy and Community Engagement
SUBJECT	Independent Remuneration Panel – Review of 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:

- (1) Considers the report of the Independent Remuneration Panel and the view of the Standards and Adjudication Committee and makes recommendations as to the level of Basic, Special Responsibility and associated allowances.
- (2) Confirms the date on which the new Scheme of Allowances shall come into effect.

REASONS FOR DECISION

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

1. BACKGROUND AND ISSUES

- 1.1 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.
- 1.2 The current Scheme of Allowances was adopted by Full Council on the 13th November, 2014.

- 1.3 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 review according to the Panel's terms of reference.
- 1.4 The Panel has put forward a number of recommendations in respect of the allowances and the rationale for the recommendations is set out within its report. These recommendations can be summarised as follows:
- The telephone and broadband allowance of £350 per annum to be removed with £100 per annum transferred to the basic allowance to cover telephone call charges.
 - Basic Allowance to be increased by 1% from 1st October, 2017 in line with the staff pay award for 2017 and then index linked to the NJC rate on an annual basis from April 2018.
 - No change to Special Responsibility Allowances.
 - The removal of the Opposition Group Leaders Allowance of £1000 per annum to be replaced by the setting of a single level of allowance for Opposition Groups with 10 Members or above at 10 per cent of the Leader's Allowance (£2250).
 - The Mayor's Allowance to be reduced by £500 and this to be allocated to the Deputy Mayor to cover costs associated with that role, such as clothing.
 - Travel allowance claims to be restricted to out of Borough travel only.
 - That the new scheme be effective from 1st January, 2018.
- 1.5 At its meeting on 21st September, 2017, Council received a petition containing 1,624 signatures calling for a reduction in all allowances paid to Members and for the mayoral allowance to be no longer paid. This was in the context of financial reductions within the organisation and the need to protect frontline services in view of further financial savings that were required. It was also requested that Members produce receipts or evidence of all travel claims. The Council resolved that the petition be received and referred to the Independent Remuneration Panel in anticipation of it making recommendations to the Council.
- 1.6 The Panel's response to the petition is contained within its report but it was not felt necessary to amend its recommendations.

2. RISKS AND OPPORTUNITIES

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.

3. OTHER OPTIONS CONSIDERED

Not applicable.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

The Panel's recommendations may be viewed negatively in terms of increases to individual allowances but such increases are minimal and there is a positive context in terms of the overall reduction proposed.

5. FINANCIAL CONSIDERATIONS

The Panel were mindful of the changing role of Elected Members as well as the need to encourage people who may be interested in becoming a councillor. However, the Panel had to make its recommendations in the context of the continued financial pressures faced by the Council and this has resulted in a proposed overall reduction in allowances payable.

6. CONSULTATION WITH SCRUTINY

Not applicable. This report was considered by the Standards and Adjudication Committee on 5th December, 2017. The Committee gave careful consideration in particular to the level of basic allowance, the removal of the broadband/telephone allowance and the proposed restriction on travel claims. The Committee accepted the report but with reservations about the proposed removal of the telephone/broadband allowance.

7. FINANCIAL IMPLICATIONS

As detailed within the financial considerations section of the report, the recommendations made by the panel would result in an overall reduction in allowances payable. The savings arising from the recommendations are estimated to be up to £8k per annum and would contribute toward delivery of the corporate and democratic core budget envelope.

8. LEGAL IMPLICATIONS

As set out in the main body of the report.

9. HUMAN RESOURCES IMPLICATIONS

Elected members will need confirmation of the changes upon a decision being made in accordance with procedural and legal requirements.

10. WARD IMPLICATIONS

All wards are potentially affected.

11. BACKGROUND PAPERS

The Constitution

12. CONTACT OFFICER(S)

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Helen Isaacs

Director of Governance, Democracy and Community Engagement



Review

Of

**Members'
Allowances**

For

**North East
Lincolnshire Council**

A Report by the

**Independent
Remuneration
Panel**

August 2017

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.
2. The Panel has been reconvened 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:
 - Martin Allingham, a former Independent Chair of the Standards Committee of North East Lincolnshire Council.
 - Wayne Harvie, Chair of the Panel and currently Reserve Independent Person for the Standards and Adjudication Committee of North East Lincolnshire Council.
 - Elizabeth Lidster, newly appointed Panel member and former Head of Democratic Services at North East Lincolnshire Council.
4. The Panel had the support of Paul Windley, Democratic and Scrutiny Team Manager and Zoe Campbell, Scrutiny and Committee Advisor, 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 governance arrangements.
- e) To ensure that the current level of additional allowances (e.g. Dependants/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 ensure that the current level of Civic Allowance is still appropriate.
- j) To review the combined telephone and broadband allowance in light of ongoing technological developments.

Methodology

7. The Panel met at the Town Hall in Grimsby on 18th and 31st July, 1st and 29th 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.

8. The Panel's activity fell into three parts:
 - **One:** Review of background information, i.e., the current political structures and composition; 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.
9. 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

10. The Panel welcomed the open and honest responses provided by the Councillors who were interviewed and the Panel were impressed by the dedication shown to their roles and their passionate support for their communities. In particular, the Panel noted the support among Councillors to enable all people the opportunity to become an Elected Member and the difficulties faced in attracting candidates to reflect the diversity of North East Lincolnshire. The Panel was also impressed by the cooperative attitude between Elected Members within a ward, even when they were from different political parties.
11. Those who decide to stand for election should not be required to make unreasonable sacrifices in their private lives. In this context, the Panel continues to recognise that there is a substantial gap between the level of financial remuneration provided nationally to elected councillors and the commitment they are expected, or believe that they need, to make, both in terms of time and responsibility, to fulfil the increasingly demanding roles in public life. Furthermore, in order to enable all people 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.
12. The prime role of the Panel has been to assess and recommend the allowances to be made available to elected members, representing the diversity of communities that make up North East Lincolnshire now and into the future.
13. In formulating our recommendations we have borne in mind:-
 - that the successful delivery of the various roles of members depends on a sense of corporate social responsibility and public service and

that members are motivated to a significant extent by a sense of public good.

- the current economic climate and the continuing substantial financial constraints on the services which the Council provides.
- 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

14. The Panel noted that the current Basic Allowance is £7,665, 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.
15. 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.
16. The Panel noted comments of Elected Members regarding a potential increase to the basic allowance as a way of attracting people to want to become a Councillor and to better reflect the diversity of the population of the Borough. The Panel had some sympathy with these comments but concluded that the allowance must not be viewed as a wage for a job and is provided as an allowance to protect against the loss of earnings for undertaking the role of Councillor.
17. The Panel noted that the basic allowance had not been index linked to annual staff salary increases or freezes since April, 2014. The Panel felt that small incremental increases linked to annual staff salary increases would be a better way of ensuring that the basic allowance remained set at a fair level.

In addition to the basic allowance, all Elected Members receive a Telephone and Broadband Allowance of £350 per annum per Member. This is provided to contribute towards the cost of telephone calls made as part of their councillor role and to support the greater dependency on electronic means of communication. The Panel considered this allowance to be an anomaly, particularly given that councillors were also currently being provided with new ICT devices. However, the Panel also recognised that Members continue to make telephone calls to constituents as part of their role and therefore suggested that the Telephone and Broadband Allowance be stopped but with £100 of the allowance passported through to the basic allowance.

18. **The Panel concluded that the Basic Allowance should be increased in line with the 1% pay award for employees of the Council, effective from 1st January, 2018 and then increased at the NJC rate on an annual basis from April, 2018. Furthermore, that the Telephone and Broadband Allowance be removed and the basic allowance be increased by £100 per annum to compensate for telephone calls made as part of the role of an Elected Member.**

Reviewing the Special Responsibility Allowance

19. 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

20. 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.
21. **Having considered the representations received, the Panel felt that no further changes were required to any of the individual**

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

SRAs that are currently being paid, including co-opted members.**Opposition Group Allowances**

22. 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.
23. The Panel noted the decision of Council following the review of allowances in 2013 that all Opposition Leaders would receive an allowance of £1,000, regardless of the number of Councillors in any Opposition Group.
24. The Panel believed that, with a Leader and Cabinet model of executive arrangements, a group of less than 10 Members would not provide a sufficiently robust opposition to warrant the extra allowance.
25. 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 **10 per cent** of the Leader's SRA.
26. As a result, the Panel felt that the Opposition Groups Allowance for all Opposition Leaders should be removed and replaced with an allowance payable only to Leaders of an opposition group with 10 Members or above.
27. **Consequently, the Panel recommends that the level of allowance for Opposition Groups with 10 Members or above be set at £2,250.00 (The Leader's recommended SRA multiplied by 10 per cent).**

The Civic Allowance

28. 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 is not out of pocket through the holding of their Office.

29. 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 each year and specifically on whether a separate allowance should be re-introduced for the Deputy Mayor. Presently the Mayor's Civic Allowance is £8,500.00.
30. On the basis of evidence received, the Panel felt that the Civic Allowance remained at an appropriate level and viewed the Deputy Mayor role to be in effect a 'development' post for a position with a very strong honour element and community responsibility. However, the Panel did consider that a small allowance should be made available to the Deputy Mayor to compensate for day to day costs such as for clothing and that this should be taken from the Mayor's Civic Allowance.
31. **Thus, the recommended Civic Allowance for the Mayor be reduced to £8,000.00 and a Civic Allowance for the Deputy Mayor of £500 per annum be introduced.**

Limits on SRAs Claimed

32. As per current practice the Panel also recommends that if a Member holds more than one post, as a Chairperson or as a Cabinet Member, they are able to draw only one SRA at any one time.

Summary of Options

33. 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

Confirmation of Implementation and Indexing

34. 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 October, 2017.
35. 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 the NJC for Local Government Services scheme).
36. The Panel further recommends that the indexation be reviewed on an annual basis by this Panel.

Travel Allowances

37. The Panel noted that, following the review in 2013, the Council resolved that travel claims be limited to any single journey of 4 miles or above. The Panel had recommended that travel claims be restricted to travel outside the Authority area. After further consideration, the Panel reaffirmed its previous position that it was reasonable for Members to claim expenses for travel outside the authority only and that such claims only be made if other modes of transport available via corporate Council contracts prove to be more expensive.
38. **Thus, the Panel recommended that the allowance for travel within the authority be removed and that travel outside the authority, subsistence and accommodation be paid at the NELC Officer rates (NJC).**

Carer's Allowance

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

The number of Elected Members

40. The challenge of reviewing members' allowances within the current financial climate, raised the issue of whether the number of Elected Members on North East Lincolnshire Council remained appropriate. This was in the context of the proposed expansion of the Borough within the next 10 years, the changing role of Elected Members and the Council, the significant reduction of the officer establishment in recent years and the issue of attracting the right calibre of councillors for the future. It was noted that the issue had also been raised by a number of Elected Members themselves during the interviews with the Panel.
41. The Panel recommended that the Council review the number of Elected Members and the outcome be referred back to this Panel to allow a full review of members' allowances as appropriate. The Panel felt that this could make significant savings for the Council; more significant than simply adjusting allowances.

Petition calling for the reduction of Members Allowances

42. Following the conclusion of the Panel's deliberations and the drafting of this report, the Council received a petition containing 1,624 signatures calling for a reduction in all allowances paid to Members and for the mayoral allowance to be no longer paid. This was in the context of financial reductions within the organisation and the need to protect frontline services in view of further financial savings that were required. It was also requested that Members produce receipts or evidence of all travel claims.

43. The petition qualified as a petition for debate under the Council's Petition Scheme and was therefore considered at the meeting of Council on 21st September, 2017, The Council resolved that the petition be received and referred to the Independent Remuneration Panel in anticipation of it making recommendations to the Council.
44. The Panel subsequently reconvened on 16th October, 2017 to consider the petition.
45. The Panel noted a number of flaws in the wording of the petition. In particular, it was noted that receipts are required for expenses claims (although it was added that failure to provide receipts for petrol would result in mileage allowance being paid at a lower rate), and the reference to several increases in allowances over the past 14 years was felt to be misleading. The petition made a comparison between amounts paid to Members in 2003/04 and 2013/14, noting that total gross pay had risen by £32,582.86. This was accounted for by incremental increases to the basic allowance only over that period. Furthermore, it was noted that a comparison of the total amount paid to Members in 2013/14 and 2016/17 showed a reduction of £9,000.
46. The Panel noted the context for the petition around the need to protect frontline services but felt that a reduction in member allowances would have a minimal impact. In any case, the Panel felt that allowances paid were not overly generous when compared to other authorities.
47. In terms of Member expenses, the Panel felt that this issue had been addressed by the recommendation at paragraph 38 of this report regarding travel allowances.
48. On the issue of the civic allowance, the Panel referred to its earlier deliberations as referred to in paragraph 28 of this report and reiterated its conclusion that the Mayor should not be left out of pocket through holding this prodigious office.
49. In conclusion, the Panel did not feel it necessary to amend its recommendations in response to the petition.

APPENDICES

Appendix One: Interviewees

In person:

Councillor Philip Jackson	Leader of the Conservative Group and Chair of the Economy Scrutiny Panel
Councillor Ron Shepherd	Mayor of North East Lincolnshire Council
Councillor John Stockton	Leader of the UKIP Group
Councillor Matthew Brown	Ward Councillor (Labour)
Councillor Gaynor Rogers	Chair of Licensing and Community Protection Committee (Labour)
Councillor Ray Oxby	Leader of the Council (Labour)
Councillor Matthew Patrick	Portfolio Holder for Finance, Community Assets, Governance and Tourism (Labour)
Councillor Mike Burton	Chair of the Planning Committee (Labour)
Councillor Steve Beasant	Leader of the Liberal Democrat Group

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 (to be updated)

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)		£7,665.00			
Band A					
Leader	1	£7,665.00	£22,500.00	£30,165.00	£30,165.00
Band B					
Deputy Leader	1	£7,665.00	£16,875.00	£24,540.00	£24,540.00
Band C					
Designated Cabinet Members & Portfolio Holders	5	£7,665.00	£11,250.00	£18,915.00	£94,575.00
Band D					
Chair of Planning Committee	1	£7,665.00	£6,750.00	£14,415.00	£14,415.00
Band E					
Chair of Scrutiny Panels	5	£7,665.00	£5,625.00	£13,290.00	£66,450.00
Band F					
Chair of Standards and Adjudication Committee	1	£7,665.00	£4,500.00	£12,165.00	£12,165.00
Band G					
Chair of Licensing and Community Protection Committee	1	£7,665.00	£4,500.00	£12,165.00	£12,165.00
Opposition Group Leaders					
	3	£7,665.00	£1,000.00	£8,665.00	£25,995.00
Co-optees' Allowances					
Independent Chair of Audit and Governance Committee	1		£4,500.00	£4,500.00	£4,500.00
Civic Allowances					
Mayor	1	£7,665.00	£8,500.00	£16,000.00	£16,165.00
Basic Allowance for remaining Members	24	£7,665.00			£183,960.00
Telephone/Broadband Allowance	42				£14,700.00
Grand Total					£499,795.00

Table 2: Summary of Recommendations (to be updated)

Post	Maximum No of SRAs Payable	Basic Allowance	Special Responsibility Allowance	Total Allowance	Sub Totals
Basic Allowance					
All Members (42)		£7,843.00			
Band A					
Leader	1	£7,843.00	£22,500.00	£30,165.00	£30,343.00
Band B					
Deputy Leader	1	£7,843.00	£16,875.00	£24,718.00	£24,718.00
Band C					
Designated Cabinet Members & Portfolio Holders	5	£7,843.00	£11,250.00	£19,093.00	£95,465.00
Band D					
Chair of Planning Committee	1	£7,843.00	£6,750.00	£14,593.00	£14,593.00
Band E					
Chair of Scrutiny Panels	5	£7,843.00	£5,625.00	£13,468.00	£67,340.00
Band F					
Chair of Standards and Adjudication Committee	1	£7,843.00	£4,500.00	£12,343.00	£12,343.00
Chair of Licensing and Community Protection Committee	1	£7,843.00	£4,500.00	£12,343.00	£12,343.00
Opposition Group Leaders					
	1	£7,843.00	£2,250.00	£10,093.00	£10,093.00
Co-optees' Allowances					
Independent Chair of Audit and Governance Committee	1		£4,500.00	£4,500.00	£4,500.00
Civic Allowances					
Mayor	1	£7,843.00	£8,000.00	£15,843.00	£15,843.00
Deputy Mayor	1	£7,843.00	£500.00	£8,343.00	£8,343.00
Basic Allowance for remaining Members	25	£7,843.00			£196,075.00
Grand Total					£491,999.00
Overall Saving on Current Scheme					£7796.00*

Appendix Three: List of 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. Committee Structure
5. Allowances paid in neighbouring and benchmarking group authorities 2016/17 – Hull, North Lincolnshire, East Riding, Darlington, Redcar and Cleveland, Stockton on Tees, Southend on Sea.
6. Final Report of the North East Lincolnshire Independent Remuneration Panel 2013
7. Members' Allowances Budget Information

NORTH EAST LINCOLNSHIRE COUNCIL

MEMBERS ALLOWANCES SCHEME 2019/20

BASIC ALLOWANCE

The basic allowance is payable monthly to every Elected Member of North East Lincolnshire Council.

Rate: £ 8,159.00 per annum

SPECIAL RESPONSIBILITY ALLOWANCE

Special responsibility allowances (SRA) are payable to Members who hold positions which require them to spend more time and effort on the Council's affairs than would be expected of other Members.

The current rates per annum are as follows: -

Band A	
Leader	£22,500.00
Band B	
Deputy Leader	£16, 875.00
Band C	
Designated Cabinet Members & Portfolio Holders	£11,250.00
Band D	
Chairman of Planning Committee	£6,750.00
Band E	
Chairmen of Scrutiny Panels	£5,625.00
Band F	
Chairman of Standards and Adjudication Committee	£4,500.00
Band G	
Chairman of Licensing and Community Protection Committee	£4,500.00
Opposition Group Leaders	
Opposition Group of 10 Members or more	£2,250.00
Co-opted Members' Allowances	
Independent Chairman of Audit and Governance Committee	£4,500.00
Co-opted Members	£260.00
Civic Allowances	
Mayoral	£8,000.00
Deputy Mayor	£500.00

TELEPHONE AND BROADBAND EXPENSES

Telephone and Broadband Rental

The Council no longer pays expenses towards telephone calls and broadband rental incurred on Council business.

TRAVELLING AND SUBSISTENCE CLAIMS REIMBURSEMENT OF EXPENDITURE

The Council has decided that in Borough travel and subsistence claims will be limited to out of Borough travel only, with the following rates applicable:

Casual Users

Per mile – first 8,500 52.2p

Per mile – after 8,500 14.4p

Cycle Allowance

If you use a cycle for Council business, you may claim 17.4 pence for every mile you travel.

Subsistence Expenses

Subsistence expenses may be claimed when Council business takes an Elected Member away from home for lengthy periods of time, subject to production of proper receipts for expenditure incurred. **The actual amount spent less a nominal £1 for “normal” expenditure may be claimed.**

No reimbursement will be made for alcoholic drinks.

North Lincolnshire Council

Independent Remuneration Panel & Members' Allowances Scheme

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 2019/20

Scheme of Allowances

The council's approved scheme of allowances payable to members of the council for 2019 – 2020 is set out below -

	2019/2020	
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 9)	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 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 (x4)	4,213
	Lead Members (x 10)	4,957
	Ambassador for Inward Investment and Steel	8,400
	Appeals Committee	£253 per annum
	Co-optees Allowance	£42.00 per meeting attended
	Independent Persons Allowance	£42 per complaint referral
6	Basic Allowance	£6,874

(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.