

SUBJECT:	INDEPENDENT REMUNERATION PANEL – REVIEW OF THE MEMBERS’ ALLOWANCES SCHEME
REPORT BY:	INDEPENDENT REMUNERATION PANEL
LEAD OFFICER:	CHERYL EVANS – DEMOCRATIC SERVICES AND ELECTIONS MANAGER

1. Purpose of Report

- 1.1 To advise on the recommendations of the Independent Remuneration Panel for Members’ Allowances for the financial year commencing on 1 April 2022.
- 1.2 To decide whether to adopt the recommendations made by the Independent Remuneration Panel for Members’ Allowances the financial year commencing on 1 April 2022.

2. Background

- 2.1 Each local authority is required to adopt a remuneration scheme for its elected members and is also required to appoint an independent remuneration panel, which has a responsibility to make recommendations to the Council meeting of each local authority on the level of allowances to be paid to members of the Council. Each local authority’s scheme must be subject to regular review by the independent remuneration panel. Before making any changes to its scheme a local authority must have regard to recommendations made by the Independent Remuneration Panel.
- 2.2 The recognised principles for each independent remuneration panel when considering a scheme are that the scheme should:
 - be justifiable and defensible, based on logical construction;
 - be transparent and simple to understand and administer; and
 - neither discourage nor encourage candidates for elected office on the basis of financial considerations.
- 2.3 Following recent recruitment, the City of Lincoln Council’s Independent Remuneration Panel consists of three people, who are completely independent from the Council. The Panel was chaired by an experienced independent person, who has previously served on the Council’s Independent Remuneration Panel. This report, which reflects the findings and recommendations of the Panel, has been prepared in accordance with current legislation and guidance.
- 2.4 The last review of the Members’ Allowances Scheme recommended an increase in members’ allowances for 2021/22 matching any increase in staff pay, which was approved by the Council in February 2021. This increase applied to the Basic Allowance and Special Responsibility Allowances. This has not yet been implemented, as the national pay award for staff has not yet been determined.

3. Review of the Members' Allowances Scheme

- 3.1 The Independent Remuneration Panel undertook a review of the City of Lincoln Council's Members' Allowances Scheme and compared the rates of the Basic Allowance and Special Responsibility Allowances with other district councils in Lincolnshire.
- 3.2 This analysis showed that the City of Lincoln Council's Basic Allowance is lower than the average paid by other Lincolnshire district councils and the Panel is concerned that if adjustments are not implemented, the position will deteriorate. The Panel is most mindful of the huge responsibility all elected councillors have. There are discrepancies with some of the Special Responsibility Allowances, both when compared with other district councils in Lincolnshire and as indicated in paragraph 3.5 below. As a result, the Panel wishes to explore these roles in more detail as part of its next review.
- 3.3 The Panel invited all members of the Council to meet with it either in person or remotely; send comments via email to any or all of the Panel; or telephone the Chair of the Panel directly; to submit any comments to the Democratic Services and Elections Manager; or to complete an online survey in order that the views of councillors on the current Members' Allowances Scheme could assist the Panel in reaching any recommendations in respect of the Scheme.
- 3.4 The Panel would like to place on record its thanks to those members who participated in the review, particularly the Leader of the Council and the Opposition Group Leader. The Panel wishes, as part of its next review, to meet with the holder of each Special Responsibility Allowance to ascertain a thorough understanding of their roles.
- 3.5 Of the comments received, there were concerns regarding the disparity of some Special Responsibility Allowances, which it was suggested did not necessarily reflect the responsibility, time commitment and workload associated with the respective roles. This related specifically to the rate paid for the scrutiny committee chairs, which were currently the same for all scrutiny committees, and that of the Chair of the Audit Committee. The Panel intends to complete an in-depth review of all Special Responsibility Allowances, as part of its next review.
- 3.6 The Panel was unable to reach an informed view on the levels of Special Responsibility Allowances and concluded it had neither sufficient evidence nor sufficient time to make any substantial findings on this aspect of the scheme, which would justify any recommendations.

4. Conclusion

- 4.1 The Panel recognises that the previous recommendation to increase the current Members' Allowances from 2021/22 has not yet been implemented, as the staff pay award was not yet confirmed. However, after implementing this increase, the basic allowance would still be lower than the comparative average. The Panel therefore recommends that for 2022/23 the annual basic allowance be increased by a sum of £250 per annum, which would reduce some of the disparity between it and the average level of basic allowance paid by other Lincolnshire district

councils.

- 4.2 Based on analysis undertaken and comments received, the Panel suggests that the Special Responsibility Allowances for 2022/23 remain at the same level until the Panel can conduct an in-depth review of each role in readiness for recommendations for changes in 2023/24.
- 4.3 The Panel suggests that this further review should involve those councillors who receive a Special Responsibility Allowance, to enable the Panel to receive essential evidence as part of the review.

5. Organisational Impacts

5.1 Financial Implications

The Council's Medium Term Financial Strategy 2022-2027 provides for an increase of £250, from 2022/23, in the members basic allowance.

5.2 Legal Implications

- 5.2 The Council has a duty to appoint an Independent Remuneration Panel who must make recommendations to the Council in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003. The Council is required to have regard to the recommendations of the Panel but is not required to follow them. However, if the Council were to make any decision which was not in accordance with recommendations from the Panel, it should put forward and record its reasons for deviating from the Panel's recommendations.

6. Recommendations

- 6.1 That the annual basic allowance paid to all members of the Council be increased by £250 per annum with effect from 1 April 2022, to reduce the disparity between the level of the City of Lincoln's basic allowance and the average basic allowance paid by district councils in Lincolnshire.
- 6.2 That the levels of Special Responsibility Allowances remain the same for 2022/23.
- 6.3 That a further comprehensive review of the Members' Allowances Scheme be undertaken in 2022/23 by the Independent Remuneration Panel, specifically focusing on all Special Responsibility Allowances, with any recommendations arising from this comprehensive review being considered for implementation from 1 April 2023.

Key Decision

No

**Do the Exempt Information
Categories Apply?**

No

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?

No

Does the report contain Appendices?

No

List of Background Papers:

None

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