

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

## **1. Purpose of Report**

- 1.1 To advise on the recommendations of the Independent Remuneration Panel for Members’ Allowances for the two financial years commencing on 1 April 2024 and 1 April 2025.
- 1.2 To decide whether to adopt the recommendations made by the Independent Remuneration Panel for Members’ Allowances for the financial years commencing on 1 April 2024 and 1 April 2025.

## **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 its 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 The City of Lincoln Council’s Independent Remuneration Panel consists of three people, who are independent from the Council. The Panel is chaired by an experienced independent person. This report, which reflects the findings and recommendations of the Panel, has been prepared in accordance with current legislation and guidance.
- 2.4 The Independent Remuneration Panel carried out a comprehensive review of the Council’s Members’ Allowances Scheme in 2023 and made the following recommendations to Council:

- That an increase of 4.04% be applied to the existing basic allowance and special responsibility allowances from 1 April 2023.
- The Panel recommended the adoption of one of its three options, as detailed in Appendix A to the report presented in November 2023, to address the significant disparity in special responsibility allowances. Option One was the preferred option of the Panel. All three options had already factored in an increase of 4.04%. The proposed 4.04% increase mirrored the percentage increase applied to certain staff allowances as part of the 2022/23 pay staff award.
- That Schedule 3 – Travelling and Subsistence Allowances as detailed within the Member's Allowances Scheme, be updated to reflect HMRC's rates to 45p for the first 10,000 miles and 25p above 10,000 miles.

2.5 These recommendations were not supported by Council in their entirety, which instead resolved the following:

- An increase of 4.04% be applied to the existing basic allowance and special responsibility allowances from 1 April 2023.
- The special responsibility allowance for the Chair of Audit Committee to attract the same special responsibility allowance as Scrutiny Committee Chairs.
- That Schedule 3 – Travelling and Subsistence Allowances as detailed within the Member's Allowances Scheme, be updated to reflect HMRC's rates to 45p for the first 10,000 miles and 25p above 10,000 miles.

### **3. Review of the Members' Allowances Scheme**

- 3.1 The Independent Remuneration Panel has carried out an interim review of the City of Lincoln Council's Members' Allowances Scheme.
- 3.2 The Panel has considered the basic allowance paid to all councillors. Similar to 2023/24, the Panel is recommending an increase of 2.50% to the basic allowance and special responsibility allowances for the financial years commencing on 1 April 2024 and again on 1 April 2025, which mirrors the percentage increase applied to certain staff allowances as part of the 2024/25 pay staff award.

### **4. Conclusion**

- 4.1 The Panel has considered the basic allowance and any special responsibility allowances paid to councillors. The Panel is recommending an increase of 2.50% to the basic allowance for all councillors and to any special responsibility allowances for the financial years commencing on 1 April 2024 and again on 1 April 2025, which mirrors the percentage increase applied to certain staff allowances as part of the 2024/25 pay staff award.

### **5. Organisational Impacts**

#### **5.1 Financial Implications**

As outlined in the report.

## 5.2 Legal Implications

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. It is not possible for Council to exceed in monetary terms the recommendations of the Panel.

## 6. Recommendations

That the Council considers the recommendations by the Independent Remuneration Panel, as follows:

- 6.1 That an increase of 2.50% be applied to the existing basic allowance and special responsibility allowances from 1 April 2024 and again from 1 April 2025.
- 6.2 That the Members' Allowances Scheme, as detailed in the Council's Constitution, be amended accordingly to reflect what is resolved by Council in respect of the basic allowance and special responsibility allowances.

<b>Key Decision</b>	No
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<b>Do the Exempt Information Categories Apply?</b>	No
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<b>Call in and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
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<b>Does the report contain Appendices?</b>	None
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<b>List of Background Papers:</b>	None
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