

## **COUNCIL**

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| <b>DATE</b>                 | 28 <sup>th</sup> July 2022                                      |
| <b>REPORT OF</b>            | The Monitoring Officer  |
| <b>SUBJECT</b>              | Independent Remuneration Panel – Review of Scheme of Allowances |
| <b>STATUS</b>               | Open  |
| <b>FORWARD PLAN REF NO.</b> | Not applicable  |

### **CONTRIBUTION TO OUR AIMS**

Good governance arrangements contribute directly to the achievement of the Council's strategic aims.

### **EXECUTIVE SUMMARY**

A report setting out the findings of the Independent Remuneration Panel's review of the Scheme of Allowances for Elected Members and seeking adoption of a new Scheme.

### **RECOMMENDATIONS**

1. That the Opposition Group Leaders Allowance be amended to the levels set out in paragraph 1.6.1 of this report.
2. That a Dependent Carers Allowance be reinstated to the Members Allowance Scheme as set out at paragraph 1.6.2 of this report.
3. That, should either of the above recommendations be accepted, the changes to the Members Allowance Scheme be effective from the beginning of the 2022/23 Municipal Year and the new scheme be adopted and published as such.

### **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 the 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 14<sup>th</sup> December, 2017.

1.3 The Panel has been reconvened to review the current level and form of allowances received by Councillors in North East Lincolnshire and make recommendations for consideration by full Council. The Panel's membership comprised of:

- Martin Allingham, a former Independent Chair of the Standards Committee of North East Lincolnshire Council.
- Elizabeth Lidster, former Head of Democratic Services at North East Lincolnshire Council.
- Alan Hall, newly appointed Panel member and Reserve Independent Person for the Standards and Adjudication Committee of North East Lincolnshire Council.

1.4 The Panel initially met in December 2021 to conduct a review of background information, including the current Scheme of Allowances; current political structures and composition; a summary of the council's priorities and financial situation; and benchmarking information such as allowances schemes in other Unitary Authorities. As a result, the Panel formed a view that there had been no significant changes to warrant any in depth review of the Scheme of Allowances. However, the Panel was keen to consult with Elected Members and allow them the opportunity to raise any concerns about the current level of allowances, with an open invite to make representations to the Panel if required. Of the responses received to this consultation, there was no appetite from Elected Members to make any changes to the current Scheme.

1.5 In addition, the Panel asked to interview the leaders of the political groups represented on the council to seek their views and that of their members. These interviews were held in February 2022 in private session so as to enable the Panel to conduct their deliberations in confidence and interview Members in confidence.

1.6 Whilst there was a general consensus across the political group leaders that there was no requirement for any wholesale changes to the Members Allowances Scheme, two areas of concern were brought to the panel's attention:

#### 1.6.1 The Opposition Leaders Allowance

It was noted by the opposition group leaders that there had been an increased call on their time in recent months to attend a number of cross-party groups and high level meetings. Whilst this consultation and involvement was welcomed, it was felt that it wasn't reflected in the current opposition leaders allowance which was restricted to a flat payment of £2250 for leaders of opposition groups with 10 or more Elected Members. With the current composition of the Council, this was not currently being claimed. It was suggested that the active role played by opposition group leaders be recognised by a tiered payment of this allowance dependent on the number of members within each opposition group. Having considered this further the panel recommended the following approach to the opposition group leaders allowance

Opposition Groups with over 10 members – £2250  
Opposition Groups with between 6 and 10 members - £1500  
Opposition Groups with between 2 and 5 members - £750

#### 1.6.2 Dependent Carers Allowance

It was felt that having a dependent carers allowance may help to attract more people to want to become a councillor. Such an allowance had been previously available to Members of this Council but had fallen off the Members Allowance Scheme in recent years, largely because it had never been claimed for. However, the panel recognised that such an allowance could be a valued option both for existing members who are carers or in encouraging people to become councillors in the future. Therefore, the panel suggested the following be added to the Members Allowance Scheme:

##### Dependants Care Allowance

(a) The Council shall pay a Carers Allowance as follows:- Childcare maximum rate, claimable at the National Living Wage. Other care maximum rate claimable at the rate charged by the Council for the employment of a personal assistant for care for elderly or for person with disabilities.

(b) The Allowance shall only be paid when the Member is undertaking the duties specified in Regulation 7 of the Local Authorities (Members' Allowances) (England) Regulations 2003. Payments will be limited to 10% of the basic allowance per annum.

(c) No Allowance shall be paid where the care is undertaken by a member of the Member's own household. A Member cannot claim for multiple carers for multiple dependents within the same category of care.

1.7 The Panel advised that should the above recommendations be agreed then they be effective from the beginning of the 2022/23 Municipal Year.

1.8 Having considered the information presented and sought the opinion of Elected Members, the Panel proposed no further changes to the current Members Allowances Scheme.

## 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 are expected to be managed within existing budgets.

## **5. FINANCIAL CONSIDERATIONS**

Any increases to the Members Allowance Scheme will be managed within existing budgets. However, there is uncertainty over the level of claims that would be received for the Dependent Carers Allowance. As noted above, historically this is not an allowance that was previously claimed for and there is a social value associated with reinstating this allowance.

## **6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

There are no direct implications for children and young people arising from the recommendations within this report.

## **7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

There are no climate change or environmental implications arising from the recommendations within this report.

## **8. CONSULTATION WITH SCRUTINY**

Not applicable.

## **9. FINANCIAL IMPLICATIONS**

It is anticipated that the changes arising from the review of members allowances can be managed within existing budgets. Whilst the financial implications of the dependent carers allowance are uncertain at this point in time they are not expected to be significant financially.

## **10. LEGAL IMPLICATIONS**

As set out in the main body of the report.

## **11. HUMAN RESOURCES IMPLICATIONS**

There are no direct human resources implications arising from the recommendations in this report.

## **12. WARD IMPLICATIONS**

All wards are potentially affected.

## **13. BACKGROUND PAPERS**

None.

## **14. CONTACT OFFICER(S)**

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