

# NORTH LINCOLNSHIRE COUNCIL

## REPORT OF THE INDEPENDENT REMUNERATION PANEL (IRP)

### (MEMBERS' ALLOWANCES SCHEME)

February 2024

#### North Lincolnshire Independent Remuneration Panel –

Mr M Allingham, Mr T Forbes, Mr A Hall, and Mr R Johnson

#### 1. The Council's Current Members' Allowances Scheme.

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, a Members' Allowances Scheme was approved and set by the Council at its meeting in February 2023 for a one-year period – financial/council year 2023/24 (start of a four-year elected term of administration). *A copy is attached as Appendix 1.*

#### 2. Independent Remuneration Panel's Review - Findings and Recommendations. An Open and Transparent Scheme

2.1 The Panel wishes to emphasise that although it has considered and reviewed the current Members' Allowance Scheme 2023/24 it was implemented in April/May 2023, and therefore has only been in operation for 9 months. Consequently, some of the Panel's findings from its previous report of 12 months ago in its opinion remain valid and applicable, however the Panel would like to record its sincere thanks to the cross-party elected member Working Group for its time, deliberations and agreed joint suggestions made for forthcoming member allowance schemes, which have been taken into consideration and incorporated into this report and recommendations.

2.2 The Panel acknowledges that the Council's Members' Allowances Scheme set for the above period provided residents with published open and transparent information on the levels and types of allowances associated with all responsibilities carried out by elected and co-opted members. All members were also aware of approved allocated allowances for the duration of the period. The scheme also provided operational and managerial flexibility and continued to remain in budget.

Significant reductions in mileage allowances claimed in 2020/21 and 2021/22 were experienced due to the restrictions on movement experienced during the Covid19 pandemic, and although these claims have increased in 2022/23 and 2023/24, they still remain well below mileage levels claimed pre-pandemic. It is however likely that mileage levels will slowly increase with increasing member activity and travel, but are expected to level out. With the increasing use of digital technology as 'normal practice' it is unlikely that levelling out will reach that claimed pre-pandemic. The Panel acknowledges that digital platforms like MS Teams continue to be embraced fully by and enable all North Lincolnshire members to carry out most responsibilities, participate in meetings and engage fully with residents. Business is conducted safely and adhering to all associated legislative requirements including data protection. It is also acknowledged that the success of using such digital platforms through IT hardware and software available to all members continues to provide members with modern operational and greener choices with efficiencies when carrying out their current responsibilities, especially ward work.

All allowances claimed by all members are published on the council's web site and in the local Telegraph on an annual basis.

- 2.3 All elected members continue to use the digital 'iTrent e-claims' software system successfully for making claims for travel allowances, which is effective and efficient software and supports monitoring and auditing requirements.
- 2.4 In addition, the Council's Internal Audit recently carried out an audit of Members' Allowances' concluding in the Autumn of 2023. In summary the overall statement regarding the audit is given below –

*“Based on our findings, we can provide substantial assurance on the effectiveness of the control environment. Overall, we have assessed the residual risk as low.”*

### **Future Scheme from 2024/25 onwards**

- 2.5 The Panel acknowledges and emphasises the need to take into consideration continuing budget pressures and the impact of inflation on the current cost of living. Consequently, any adjustments to a future scheme should ensure costs are self-contained within budget with any additional expenditure kept to a realistic minimum.
- 2.6 Taking into consideration paragraph 2.5 above, it is the Panel's view that not to increase members' allowances could be a preferred option because of economic constraints and associated public perception. However, this must be balanced against the facts that (i) the amount of time being spent by councillors carrying out council responsibilities including associated ward work (especially on an evenings and weekends) attending Town and Parish Councils, Neighbourhood Action Teams, and similar community groups for example, whether in person or through digital platforms continues to increase with additional follow up work. (ii) Findings of the recent Local Government Boundary Commission (England) North Lincolnshire Council Periodic Electoral Review indicated that resident representation per councillor continued to increase, and (iii) compared to other regional principal councils North Lincolnshire Council member allowances were the lowest by a significant margin, with the comparative gap only continuing to widen because of no significant increase for almost 12 years.

The above, together with the impact of inflation and the need to recognise proportionate remuneration as a real life incentive to contribute to the recruitment of younger/next generation of modern councillors and effective succession planning - it is therefore recommended that - **Recommendation (1)** that a realistic 'flat rate one-off' increase of £500 be applied to the Basic Allowance of the 2024/25 scheme for all members, together with a 3.9% increase for 2024/25 linked to the (CPI) Consumer Price Index (average), and further annual increases up to a maximum of 3% linked to the CPI (average) for 2025/26 and 2026/27 – the percentage increase to be agreed by full Council and thereafter also applied for future four year terms of administration, subject to a required first year IRP review at the beginning of each of the four-year term of administration or as required by relevant statutory regulations.

This total cost for 2024/25 equates to £21,500 (flat rate) + £11,524 (3.9%) = £33,024 (an additional £500+£268 = £768 per member) a new total Basic Allowance for 2024/25 per member of £7642.

*Please note that with the Basic Allowance not increasing for approximately 12 years - for this period 2012-2024, inflation would be 36.15% (or an annual average inflation rate of 2.84%) which would equate now to a possible Basic Allowance of £9,359).*

- 2.7 The Panel's work has led to its conclusion that the current levels of Special Responsibility Allowances (SRAs) within the current scheme continue to be proportionate and fit for purpose, however like the Basic Allowance these have also not been increased for the same long period.

Remuneration levels within schemes adopted by other similar sized unitary and principal councils do vary with some applying a higher or lower allowance to some responsibilities, subject to frequency of all meetings and associated business, but in comparison North Lincolnshire Council's remain low. It should be noted that proportionately, more North Lincolnshire Council members do receive an SRA on top of the Basic Allowance compared to some other local Humber region councils' schemes. However, the balance between executive and non-executive functions appears consistent and a proportionate level of spend similar in most cases. Local preferences must also be taken into consideration. Although all statutory roles and responsibilities are being carried out, how these are prioritised and applied locally remains at the discretion of individual 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 are carried out and monitored.

The Remuneration Panel having regard to the statutory and constitutional responsibilities of Cabinet Members and other committee chairs/vice-chairs is of the opinion that although Lead Members provide valuable support to the Executive and carry out ambassador roles for various people and services, they have no decision-making responsibilities or statutory roles. The Panel acknowledges the role of the Ambassador for Inward Investment and Steel has now been adopted within the portfolio of the Leader of the Council.

Consequently, and having regard to above, the panel recommends that - **Recommendation (2)** that the Ambassador for Inward Investment and Steel be deleted as a Lead Member SRA and **Recommendation (3)** that remaining Special Responsibility Allowances increase by 3% for 2024/25 and then further annual increases linked to CPI (average) up to a maximum of 3% for 2025/26 and 2026/27 – the percentage increase to be agreed by full Council and thereafter also applied for future four year terms of administration, subject to a required first year IRP review at the beginning of each of the four-year term of administration or as required by relevant statutory regulations.

The total cost for 2024/25 being approximately £8500 (subject to number of meetings held/attended for some allowances).

- 2.8 It is therefore recommended - **Recommendation (4)** that the above cost in Recommendations (1) and (2) should be offset by savings made in levels of the Special Responsibility Allowance (SRA) not being claimed by members who have two responsibilities but under the provisions of the scheme are only entitled to one SRA (that being the greater of the two), together with the ongoing reduction in overall savings from members' annual mileage claims and the deletion of the Ambassador for Inward Investment and Steel Lead Member.

- 2.9 The Panel has observed that meetings for all four scrutiny panels are now being timetabled more regularly by each panel and welcomes this.

This and all levels of remuneration will continue to be monitored by the Panel alongside associated guidance and suggested good practice and reviewed in accordance with its recommendations above.

- 2.10 Regarding Travel Allowances, the Panel recommends - **Recommendation (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 should still be given to increasing the current Overnight Rate for London of £100.50 to £150.50 bearing in mind increasing higher pricing accommodation levels in the capital, which should be self-contained within the scheme, however, acknowledges that the number of these claims are small annually.

*Please see the proposed scheme for 2024/25 in Appendix 2 based upon the above recommendations for Council's consideration.*

### **3. Further Observations**

#### **Information Technology**

- 3.1 The Panel would like to reiterate its view from last year's report that - the increasing accessibility of councillors through available IT and mobile devices, and the increasing expectations from the public to respond immediately continues to be the role and responsibility of the 'modern day' councillor.

The Panel emphasises that it is essential therefore that all councillors have 'the digital tools' to carry out their work effectively to meet public expectations and to support and enhance their roles. This should also provide councillors with improvements to their safety especially if working alone. The whole 'modern service package' for councillors is more effective, efficient, enabling and self-sufficient and councillors' roles must continue to be a priority factor within the council's IT Plan. The Panel acknowledges that the council's member 'case management system', 'iTrent e-claims' software and Civica/ModernGov meetings management software provide digital enhanced support for all members.

#### **Member Training and Development**

- 3.2 The Panel would also like to reiterate its view from last year's report that – it would like to emphasise strongly that member training and development remains key to providing all councillors with ongoing knowledge and skills. This is 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. Ongoing training and development of elected members are an expectation of the electorate, providing additional value for money. It also assists with and aids succession planning as long serving members retire from office. Delivering continuing professional development for new and existing members also strengthens community leadership.

The Panel acknowledges that in recent previous years resources have been committed to supporting a dedicated part-time Member Development Officer post enhancing and improving the delivery of digital and 'in-person' training opportunities for members. However, although statutory training obligations are being met for those councillors involved in planning, licensing and safeguarding functions for example, the panel remains concerned that some members do not receive or participate in training and development annually especially in relevant key disciplines, like overview and scrutiny techniques, chairing skills, information technology skills and local government finance for example. Take-up and participation have been encouraged and improved through web based/on-line opportunities but remains low and concern is again expressed as the above Member Development Officer post still remains vacant. Members' personal and group learning and development in key skills and knowledge goes some way to underpin their roles and responsibilities associated with all allowances received.

#### **4. Recommendations**

- 4.1 That having regard to the Independent Remuneration Panel's report and recommendations, a Members' Allowance Scheme suggested at Appendix 2 be approved as the scheme for 2024/25, and its proposal in Recommendations 1 and 3 for future years be considered and applied by full Council.
- 4.2 That the council notes and considers supporting action and improvements suggested following the observations made by the Panel in paragraphs 3.1 and 3.2 above.