

**Report of the
East Lindsey District Council
Independent Remuneration Panel**

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**Review of the
East Lindsey District Council
Members' Allowances Scheme**

Background and context

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require that before making or amending a Members' Allowances Scheme, an authority shall have regard to the recommendations of an Independent Remuneration Panel (The Panel) set up specifically to advise on the matter.
- 1.2 A full review of East Lindsey District Council's Members' Allowances Scheme (the Scheme) was undertaken by the Panel in 2020 and a report presented to the Council. The Council considered this report at its Meeting on 4 March 2020.
- 1.3 In 2020 the Panel undertook a comprehensive evidence-based review of East Lindsey District Council's Members' Allowances Scheme and submitted a report with recommendations to the Council for a revised 4-year Scheme.
- 1.4 Following consideration of the report the Council decided to continue with its existing Members' Allowances Scheme in 2020/21 and invited the Panel to undertake a further review on particular areas of the Scheme which it felt required further consideration.
- 1.5 A further report, which focused on those elements where a further review was requested, was presented to council on 3 March 2021. The recommendations contained within the report set out an evidence-based Members' Allowances Scheme for the Council for the next 3-year period (1 April 2021 – 31 March 2024).
- 1.6 The period of the current scheme is due to end in March 2024. The Council have therefore requested the Panel undertake a further full review of the scheme and make recommendation to the Council with regard to any proposed changes to the scheme with effect from 1 April 2024.

2.0 Documentation, evidence and acknowledgements

- 2.1 The Panel met and gave consideration to the following:
 - The Local Authorities (Members' Allowances) (England) Regulations 2003.
 - The Panel's previous reports.
 - Details of the Council's existing Members' Allowances Scheme.
 - Information gained during open meetings with members.
 - Benchmarking information relating to statistically nearest neighbour authorities (as defined by CIPFA) and Lincolnshire District Councils.
 - Other benchmarking information specific to co-opted independent member allowances.
- 2.2 The Panel invited all members to respond to a questionnaire seeking views on the existing scheme of allowances and to propose any specific areas that the Panel may wish to have regard to in undertaking its review.

2.3 The Panel is grateful to the members who responded to the questionnaire, for the information they provided, and the comments received.

3.0 Review of Existing Scheme

3.1 The Panel considered 21 responses to the member questionnaire. 5 respondents were happy with the scheme as it stood and 16 made recommendations for the Panel to review. These included:

- Review of the basic allowance and SRAs to address the perception that East Lindsey allowances were lower than others in the county, and specifically in comparison to Boston and South Holland.
- Review of the allowance for the Vice Chair of Planning Policy Committee as the associated workload and responsibility was commensurate with other Vice Chair roles.
- Consider remuneration for co-opted independent members to address perceived difficulties in recruiting co-opted independent members to committees.
- Consider increases to the Leader, Deputy Leader and Executive allowances to reflect additional responsibilities as a result of shared partnership arrangements.

3.2 The Panel considered the ELDC allowances against CIPFA statistically nearest neighbour authorities and Lincolnshire district councils. The Panel reflected that, following the last two cost of living increases to allowances linked to the NJC pay award, the ELDC Basic allowance had risen to a point which was comparable to other Lincolnshire districts and that over time would continue to increase.

3.3 The Panel reviewed the mechanism for awarding annual cost of living increases and determined that it would further recommend that the Basic and Special Responsibility Allowances continue to be linked to the NJC pay award for staff for the next four-year period.

3.4 The Panel also considered the £50 per annum annual increase to the basic allowance in the scheme. It determined that the increase had been introduced to the scheme prior to the annual link to the pay award and it was therefore not necessary to apply both in future years and that it should be discontinued and removed from the scheme.

3.5 The Panel considered comments raised by Members in relation to perception that East Lindsey's councillor allowances were significantly lower than other Lincolnshire districts and specifically Boston and South Holland. The Panel noted that South Holland was an outlier within the county but that otherwise East Lindsey councillors were better remunerated than some of their Lincolnshire neighbours.

3.6 The Panel considered the allowances for Leader, Deputy Leader and Executive Board members in the context of comparison with other Lincolnshire districts and additional meetings as a result of the shared services partnership.

3.7 The Panel determined that the Leaders allowance was above average compared to other Lincolnshire authorities and would continue to be subject to cost of living increases and therefore did not determine an increase.

- 3.8 The Panel determined that the allowances for the Deputy Leader and Executive Board members were lower than the average of Lincolnshire allowances for the same roles and agreed that, in light of additional workload, they should be increased. The Panel reviewed the allowances of other Lincolnshire districts and determined in most authorities the Deputy Leader allowance was approximately 60% of that paid to the Leader and agreed that East Lindsey should align with the same principle. The Panel also considered the approach to Executive Board roles and there was no clear consistency of approach across the county, therefore, the Panel agreed to recommend and increase in line with the Lincolnshire average for Executive roles. The Panel therefore proposed to recommend that the Deputy leader allowance should increase to £9,550 and the Executive Board allowance should increase to £6,700.
- 3.9 The Panel considered the allowances for Committee Chairs and Vice Chairs and determined that there were no significant changes to responsibility since the last review, however, it was agreed that the allowance for the Vice Chairman of Planning Policy Committee should be the same as all other Vice Chairman allowances.

4. Co-opted Independent Member Allowances

- 4.1 The Panel considered comments raised through the member survey requesting that consideration be given to allowances for co-opted independent members. In the current scheme co-opted independent members are only able to claim travel and expenses related to their attendance at meetings. Concerns were raised that this was a significant contributory factor in failure to recruit co-opted independent members to the Audit and Governance Committee.
- 4.2 The Panel considered benchmarking information in relation to payments from other authorities and a position statement issued by the Chartered Institute for Public Finance and Accountancy (CIPFA) in 2022, "Audit Committees in Local Authorities and Police setting out the purpose, model, core functions and membership of the audit committee".
- 4.3 The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt and states:

"The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation. Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise."

The Panel determined that it would be appropriate to remunerate co-opted independent members of the Audit and Governance Committee and that job specification for the role should include reference to the requirement to have relevant technical expertise specific to the role. The Panel reviewed allowances in other Councils and also commensurate hourly rates based on the requirement for technical expertise and determined that an allowance of £650 per annum should be recommended.

5. Dependent Carer's Allowance

- 5.1 The Panel considers that the Dependent Carer's Allowance should

continue to be paid up to and index linked to the National Living Wage for the next four years of the scheme.

6. Travel and Subsistence

- 6.1 The Panel noted that mileage rates are linked to HMRC mileage rates which remain unchanged. Subsistence rates should continue to be linked to the ELDC officers rates and the Panel do not recommend any change.

7. Implementation of recommendations

- 7.1 If the recommendations within this report are agreed the effective date for amendments to allowances shall be 1 April 2024 and the scheme shall apply for a 4-year period, subject to annual review to consider any significant changes to roles and responsibilities.

8. Recommendations

The Independent Remuneration Panel recommends that the following take effect from **1 April 2024**:

- 8.1 That the Basic Allowance and Special Responsibility Allowances continue to be index linked to the Local Government Pay Award as agreed by the National Joint Committee for Local Government Services.
- 8.2 That the basic allowance is no longer increased by £50 per annum.
- 8.3 That the Deputy Leader Allowance be increased to £9,550 to align to the average percentage of 60 percent of the Leaders allowance in line with other Lincolnshire districts.
- 8.4 That the Executive Board Allowance be increased to £6,700 in line with the Lincolnshire average.
- 8.5 That the allowance for Vice Chairman of the Planning Policy Committee be set at the same level as that received by the Vice Chairmen of the other committees.
- 8.6 That the co-opted independent members of Audit & Governance be paid an annual allowance of £650, to reflect the technical expertise and time commitment required to participate in meetings.
- 8.7 That the Dependent Carer's Allowance continues to be paid up to and index linked to the National Living Wage.
- 8.8 That mileage rates continue to be index linked to the HMRC mileage rates.
- 8.9 That the subsistence rates continue to be index linked to the ELDC officer subsistence rates.