

## **LCC Independent Remuneration Panel Recommendations for 2014-15**

### **Purpose**

The County Council has commissioned the Independent Remuneration Panel (IRP) to make recommendations for 2014-15 as required by relevant legislation - the Local Authorities (Members' Allowances) Regulations 1991, and the Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003. This paper sets out our findings and recommendations to the County Council.

### **Background**

The IRP last made recommendations to Council in 2010. For a range of reasons connected to the economic downturn, Council deferred implementation of our recommendations.

Whilst understanding the lead given by Councillors on this, the consequence of deferral has been that Lincolnshire's allowances are out of line with comparable organisations.

Initial guidance issued to Councils when the current system of basic allowances and special responsibility allowances was introduced included a notion of 'voluntary contribution' of 25%. We requested your officers to calculate how the voluntary contribution for the Basic Allowance has changed based on the difference between the 2010 IRP recommendations plus CPI uplift and continuation of the previous basic allowance. The voluntary contribution has now grown to 44%.

The Panel will need to meet again in 2017-18 to make recommendations for 2018-19 onwards.

### **Allowances for 2014-15**

#### **Approach**

There was an initial meeting with Officers to scope out our review. We requested and were subsequently provided with additional information.

Personal and telephone interviews were conducted with 27 Members covering those in receipt of most SRAs. Some provided written submissions. The extent of political change in the Council this year meant that several of the Members interviewed had been new to the Council or had changed roles. Those Members were very surprised at the amount of work involved in their new activities.

Comparative information was provided from other Councils' Schemes of Allowances, benchmarking, existing approved role descriptions and extracts from the Constitution where a role description is not in place. However, there is wide variation in allowances between councils that does not appear to be related to factors such as population or budget so we have exercised judgement where necessary. Our recommendations take account of the fact that, assuming they are accepted by Council, allowances will be indexed until 2018 and there will be no further comparative analysis in that period. We were mindful that comparative information reviewed from other councils was dated 2009 -2013.

## **Factors influencing our recommendations**

### **General**

*Simplifying the Scheme* – having reviewed several other county schemes we believe that Lincolnshire's should be simplified. We are aware that the Exec Director (Performance and Governance) has also recommended simplifying the Scheme.

*Role descriptions* – were available for some SRAs but not all. Members understandably have different perspectives and it is difficult for us to form a view without a consensus from the Council about responsibilities falling within a SRA. We make recommendations to have a role description for every role covered by a SRA and for these to be reviewed after each election.

*Impact* –SRAs should be based upon the impact that role has on the leadership or governance of the County Council rather than number of meetings etc.

*Allowances payable* – the current scheme provides for dependants' carers' allowance, backdating changes within a financial year, indexing of payments, pensions and superannuation. We are required to advise on these and recommend continuation with any amendments specifically made in this report.

### **Basic allowance**

The Basic Allowance applies to every elected Councillor.

Lincolnshire's current Basic Allowance is £8,184, which currently ranks 27<sup>th</sup> of 31 County Councils (Appendix 1). In 2010 the IRP recommended raising the Basic Allowance to £10,000 but that was deferred by Council.

We recommend a Basic Allowance of £10,100 for 2014-15, representing a 1% rise (the same as most employees have received) over the 2010 recommendations. This would rank 18th of 31 County Councils – see Appendix 1- and be just under the median value of £10,152.

### **Special Responsibility Allowances**

We recommend simplifying the Scheme into 10 bands as set out in Columns 1 and 2 of Appendix 2. Recommended SRAs for each Band are set out in Column 3 with comments in Column 4.

Our starting point was to implement the 2010 IRP Recommendations plus 1% and then review further in the light of comparative information for similar counties and other counties in the region. We also considered relative impact of the role on leadership and governance of the County Council, bearing in mind that these are Special Responsibility Allowances. Significant changes are explained in more detail below.

#### *The Executive and Executive Support*

We are clear that the Leader, Deputy Leader and other Members of the Executive have significant responsibilities in steering a very large and complex organisation spending hundreds of millions of pounds. As a consequence we recommend increases above the norm and recognise that this will increase the differential between the Executive etc. and other SRAs.

Even after the recommended increase the Leader of the Council's total allowance would be less than other counties in the East Midlands and significantly less than the Police and Crime Commissioner (£65,000) or a NHS Foundation Trust Chairman (typically £50 – 60,000.) Our recommended allowances are much less than market forces would dictate.

#### *Health Scrutiny, Audit and Pensions Committees*

We recommend that Health Scrutiny and Audit Committees are recognised as equivalent to the responsibilities of Chairing the Council and Overview & Scrutiny Management.

We recommend that Pensions Committee is recognised as equivalent to a Scrutiny Committee.

#### *Opposition Group Leaders and Shadow Executive*

The 2010 IRP recommended a separate fixed allowance for Leader of the Opposition equivalent to a Scrutiny Committee Chairman and we recommend implementing that plus 1%. The same principle applies for the Shadow Executive.

For Minority Group Leaders we now recommend a change to a fixed allowance of £5,000, recognising that there is a fixed workload and responsibilities for them that are not related to the numbers in a Group.

Overall, total allowances for Opposition Group Leaders are recommended to rise significantly from those currently in place, reflecting the responsibility on an effective Opposition in good governance.

#### *Recommendations to reduce allowances*

We recommend reductions in the SRAs for the Definitive Map & Statement of Public Rights of Way Sub Committee and for the Chief Whip. These recommendations reflect our assessment of responsibilities in relation to other roles.

#### *Recommendations to cease allowances*

As part of simplifying the Scheme of Allowances we recommend:

- Deleting SRAs relating to the Appointments Committee and Chief Officers Salary Review Committee. These Committees will inevitably be chaired by a Councillor in receipt of a higher SRA so will never be claimed.
- Deleting SRAs for Chairmen of Select Committees and one-off payments for Task and Finish Groups as we believe these should be met by the increased Basic Allowance.
- Deleting the SRA for Spokespersons for Special Interests as this is now largely redundant.

*Indexing* – the 2010 IRP recommendations included indexing using the CPI. We explored alternatives during our discussions with Members and, on balance, recommend now that indexing from 2014 onwards should be linked to local government 'green book' pay awards as many councils now do.

*Approved duties* – Lincolnshire's definitions simply replicate the legislation and we recommend that they are simplified or explained better. There was evidence in our interviews that the complexity was confusing for Members.

*Dependants' Carers' Allowance* – the current Scheme only allows payment "when an appropriately qualified and experienced arm's length provider (i.e. not family or friends)" is used. This could disadvantage Members who have local or family networks to support them. We recommend investigating whether an alternative could be less onerous but continue to provide adequate financial controls.

*Broadband provision* – we understand that the Scheme has been altered by a policy decision. If so the Scheme should be modified accordingly.

*Lunches at Council* – we recommend that the Scheme provides for a buffet lunch on Council days

The Independent Remuneration Panel:

Peter Clay (Chairman)

Colin Childs

John Marsh

Sharon Wetherall

February 2014

## Appendix 1 – Comparison of Basic Allowances

County	Basic allowance
1. Durham	£ 13,300
2. Nottinghamshire	£ 12,906
3. Kent	£ 12,827
4. Northumberland	£ 12,625
5. Cornwall	£ 12,128
6. Hampshire	£ 12,003
7. Surrey	£ 11,791
8. Shropshire	£ 11,514
9. Essex	£ 11,500
10. Wiltshire	£ 11,403
11. Devon	£ 10,970
12. East Sussex	£ 10,842
13. Buckinghamshire	£ 10,718
14. Dorset	£ 10,185
15. Suffolk	£ 10,172
16. Leicestershire	£ 10,152
17. Lancashire	£ 10,139
18. Derbyshire	£ 9,948
19. Hertfordshire	£ 9,588
20. Staffordshire	£ 9,244
21. Worcestershire	£ 9,020
22. North Yorkshire	£ 8,994
23. Warwickshire	£ 8,975
24. Norfolk	£ 8,928
25. Gloucestershire	£ 8,799
26. Oxfordshire	£ 8,295
<b>27. Lincolnshire</b>	<b>£ 8,184</b>
28. Cumbria	£ 8,030
29. Cambridgeshire	£ 7,610
30. Herefordshire	£ 7,244
31. Northamptonshire	£ 7,086

← Proposed £10,100 for Lincolnshire

## Appendix 2 – Revised allowances

"Increased to reflect responsibilities" means that a SRA has been increased over the 2010 IRP Recommendation plus 1%

Band	Role	Recommended SRA	Rationale for change
1	Leader of the Council	£32,000	Increased to reflect responsibilities
2	Deputy Leader of the Council	£21,000	Increased to reflect responsibilities
3	Members of the Executive	£18,000	Increased to reflect responsibilities
4	Chairman of the County Council	£12,120	2010 IRP Recommendation plus 1%
	Chairman of the Overview and Scrutiny Management Committee		2010 IRP Recommendation plus 1%
	Chairman of the Health Scrutiny Committee for Lincolnshire		Increased to reflect responsibilities
	Chairman of the Audit Committee		Increased to reflect responsibilities
5	Chairmen of the Scrutiny Committees	£9,090	2010 IRP Recommendation plus 1%
	Chairman of the Planning & Regulation Committee		2010 IRP Recommendation plus 1%
	Leader of the Opposition		2010 IRP Recommendation plus 1%
	Chairman of the Pensions Committee		Increased to reflect responsibilities
6	Executive Support Councillor	£8,000	Set in relationship to Executive Councillors
7	Minority Group Leaders	£5,000	Fixed allowance introduced for Minority Group Leaders to recognise that work and responsibility are relatively fixed rather than related to numbers in a Group.
	Chief Whip		Reduced to reflect responsibilities with reference to other SRAs.
8	Vice-Chairman of the County Council	£4,040	2010 IRP Recommendation plus 1%
	Vice-Chairman of the Overview and Scrutiny Management Committee		2010 IRP Recommendation plus 1%
	Vice-Chairman of the Health Scrutiny Committee for Lincolnshire		Realigned as for Chairman

Band	Role	Recommended SRA	Rationale for change
	Vice-Chairman of the Audit Committee		Realigned as for Chairman
	Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee		Small reduction to align with others in this Band
9	Vice-Chairmen of the Scrutiny Committees	£3,030	2010 IRP Recommendation plus 1%
	Vice-Chairman of the Planning & Regulation Committee		2010 IRP Recommendation plus 1%
	Vice-Chairman of the Pensions Committee		Realigned as for Chairman
10	Vice-Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee	£1,010	Realigned as for Chairman
	Member of the Shadow Executive		2010 IRP Recommendation plus 1%
	Childcare and dependants' carer's allowance  The Monitoring Officer has discretion to increase the rate in particular cases of need.	An hourly rate equivalent to the National Minimum Wage for the time being	
-	Co-opted Member	£750	Increased to reflect responsibilities

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