



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Council
Date:	09 December 2022
Subject:	Members' Allowances Scheme 2023/24

Summary:

The Council must agree its Members' Allowances Scheme every year. This report presents the recommendations of the Independent Remuneration Panel (IRP) for consideration by the Council before it agrees its scheme for 2023/24.

Recommendation(s):

1. That the Council considers the IRP report and recommendations at Appendix A to this report.
2. That the Council approves the Scheme of Members' Allowances for 2022/23 as the Lincolnshire County Council Scheme of Members' Allowances for 2023/24 subject to the amendments shown in Appendix D to this report

1. Background

- 1.1 The County Council agrees a Scheme of Members' Allowances and expenses each year in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the 2003 Regulations') and other relevant legislation.
- 1.2 The 2003 Regulations require that an Independent Remuneration Panel (IRP) is convened to make recommendations to the Council. The Council is required to consider any IRP report and recommendations before agreeing a scheme but is not required to accept the IRP's recommendations.
- 1.3 The IRP was convened on 10 November 2022 and its report, findings and recommendations are attached at **Appendix A**.
- 1.4 Their recommendations included an uplift in the Childcare and Dependents' Carers' Allowance which is payable to reimburse elected members for the cost of caring for their children or dependent relatives, whilst undertaking their role as a councillor. The Panel recommended that the allowance be increased from an

hourly rate equivalent to the National Minimum Wage for the time being to “an hourly rate equivalent to the National Living Wage, plus £1.”

- 1.5 Panel members felt that, in the interests of advancing equality of opportunity, this would reduce the risk of those with caring responsibilities being excluded from standing as county councillors.
- 1.6 The IRP also discussed the increased cost of fuel since the last review of the Members’ Allowances Scheme but were satisfied that the scheme’s alignment to the HMRC mileage rates was appropriate. They did however recommend that awareness should be raised among councillors about their entitlement to claim 5p per mile for passengers performing the same duties.
- 1.7 During its deliberations the IRP was reminded that at its meeting on 11 November 2021, following a fundamental review of the scheme, it had recommended that the basic allowance and special responsibility allowances in Schedule 1 of the scheme be increased annually by the average percentage increase in pay for employees covered by the National Joint Council for Local Government Services (Green Book) for the previous 12 months. This had subsequently been agreed by Council.
- 1.8 The agreed indexing can remain in place for up to four years before it must be reviewed by the IRP.
- 1.9 However, the current year’s national pay award for ‘Green Book’ employees has been agreed as a £1,925 uplift, rather than a flat percentage increase, prompting the IRP to reconsider the index-linking question after just 12 months.
- 1.10 In determining which index to recommend the IRP considered several options. These are set out below, together with an estimate of how much they could cost in monetary and percentage terms:

Option	Description	Estimated Cost (£/%)
1	The Local Government pay agreement sets out new rates for staff allowances, such as overnight allowances for social workers, and these have been updated by 4.040%. Appendix B to this report reflects a 4.040% increase to the Scheme as highlighted in yellow.	£53,081 (4.040%)
2	The Local Government Association (LGA) says the increase to the national pay bill has been costed at 6.886%. Locally, considering the profile of the Lincolnshire County Council workforce, the increase has been estimated at 6.397%. Appendix C to this report reflects a 6.397% increase to the Members Allowances Scheme as highlighted in yellow.	£84,045 (6.397%)

Option	Description	Estimated Cost (£/%)
3	Inflation rates were another indexing considered by the IRP, but in the interests of retaining the link to the Green Book increase, the IRP dismissed these options. September's CPI was 10.1% and RPI 15.4%. Increasing by the rate of CPI is costed in the estimated cost.	£132,703 (10.100%)
4	A combination of Options 1 and 2 above, with the basic allowance being increased by 6.397% and the special responsibility allowances being increased by 4.040%, was considered by the IRP to be the closest to the original decision to link the allowances to the annual average 'Green Book' pay increase. This option is reflected in the yellow highlights in Appendix D to this report.	£71,637 (5.746%)
5	The IRP also considered an option to calculate a 6.397% increase in the allowances budget and then divide the increase by the number of members and add this to the basic allowance, while freezing the Special Responsibility Allowances. The Panel decided it would not be appropriate to recommend this option as members of the Panel felt other options were closer to the original decision to link the annual average 'Green Book' pay increase.	£84,045 (6.397%)
6	The IRP also considered an option to calculate a 4.040% increase in the allowances budget and then divide the increase by the number of members and add this to the basic allowance, while freezing the Special Responsibility Allowances. The Panel decided it would not be appropriate to recommend this option as members of the Panel felt other options were closer to the original decision to link the annual average 'Green Book' pay increase	£53,081 (4.040%)

1.11 The IRP considered that there were merits in both Options 1 and 2 above, but panel members felt that on balance, Option 4 offered the closest to the rationale behind the Green Book increase and therefore recommended this to Council.

1.12 Recommendation 2 in the Recommendations section of this Report accordingly reflects the IRP's recommendation (Option 4). If Council were to prefer Option 1 or 2 above, then recommendation 2 in the Recommendations section of the Report would need to be changed to refer to either Appendix B or Appendix C respectively.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

The recommended increase in Childcare and Dependants' Carers' Allowance explained in paragraph 1.4 and 1.5 above seeks to advance equality of opportunity by reducing the risk of those with caring responsibilities being excluded from standing as a county councillor.

Joint Strategic Needs Assessment (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

Decisions as a result of recommendations in this report are unlikely to impact on the JSNA or JHWS.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

Decisions following on from recommendations in this report are unlikely to have any impact on the exercise of the Council's Crime and Disorder functions.

3. Conclusion

The Council must agree its Members' Allowances Scheme for 2023/24 and in doing so must take into account recommendations of the Independent Remuneration Panel, which are outlined in this report.

4. Legal Comments:

Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003 requires the Council to make a Scheme of Members' Allowances prior to 1 April in every year.

Before making such a Scheme the Council must have regard to the recommendations made in relation to the Scheme by the Independent Remuneration Panel.

Approval of the Scheme of Members' Allowances is reserved to full Council.

5. Resource Comments:

Within its budget proposal, the Council makes adjustments recognising inflationary impacts to the cost base. The rate of inflation since the Council set its budget has increased significantly and is now expected to remain higher for longer.

This has had implications for the local government pay award, which has a direct link to member allowances as considered in the report. The Council has reflected these changes within its financial planning process, and the options set out above are consistent with the current planned budget provision.

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

n/a

c) Scrutiny Comments

n/a

d) Risks and Impact Analysis

See the body of the report

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Minutes of the Independent Remuneration Panel - 10 November 2022
Appendix B	Amendments to the 2022/23 Members' Allowances Scheme to reflect the IRP's recommended increase in Carers' allowances and a 4.04% increase in the other allowances.
Appendix C	Amendments to the 2022/23 Members' Allowances Scheme to reflect the IRP's recommended increase in Carers' allowances and a 6.4% increase in the other allowances.
Appendix D	Amendments to the 2022/23 Members' Allowances Scheme to reflect the IRP's recommended increase in Carers' allowances, a 6.4% increase in the basic allowance and a 4.04% increase in the Special Responsibility Allowances.

8. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Members' Allowances Scheme 2022/23	Lincolnshire County Council website

This report was written by Nigel West, who can be contacted on 07880 500844 or nigel.west@lincolnshire.gov.uk.

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