



Leicester
City Council

WARDS AFFECTED
All Wards

COUNCIL

13th June 2019

INDEPENDENT REMUNERATION PANEL PROCESS

REPORT OF THE DIRECTOR OF DELIVERY, COMMUNICATIONS AND POLITICAL GOVERNANCE

1. PURPOSE OF REPORT

To enable Council to consider approval of the commencement of a review of the Council's Scheme of Members Allowances by an independent panel as specified in legislation.

2. RECOMMENDATIONS

Council is recommended to:

1. approve the appointment and composition of an Independent Remuneration Panel to consider Members Allowances in Leicester as detailed in the report;
2. approve the commencement of a review of the Council's Scheme of Members Allowances by the Independent Remuneration Panel as specified in legislation on the basis defined in the report and taking into account the current financial constraints facing the Council and;
3. note that consideration of the report of the Panel is a matter reserved to Council and that Council in setting a Scheme of Allowances at that point will have the choice to accept in full or in part or reject the findings of the Panel.

3. REPORT

3.1. Background

Under the Local Authorities (Members' Allowances) (England) Regulations 2003 (section 19.1), all councils must make a scheme providing for the payment of allowances, and before the Council makes or amends a Members' Allowances

Scheme, it has to have regard to recommendations made by its statutory Independent Remuneration Panel (IRP).

Section 21 of the Regulations defines that the IRP report must make recommendations on the responsibilities or duties in respect of:

- special responsibility allowance (SRA);
 - travelling and subsistence allowance; and
 - co-optees allowance
- the amount of such allowances and the amount of basic allowance;
 - whether dependents' carers allowance should be payable and the amount;
 - whether payments can be backdated when a scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made and;
 - whether changes to allowances are decided according to an index and, if so, which index and for how long that index should apply, (a maximum of four years), before its application is reviewed.

The last IRP held by Leicester City Council was in 2015/16 and so the Regulations mean that an IRP must now be put in place to review member allowances in order for a scheme to be approved for 2020.

3.2 The Panel

The regulations require that an IRP must have at least three members. The members of an IRP cannot be elected members of an authority in respect of which it makes recommendations and cannot be a member of a committee or sub-committee of such an authority. Anyone disqualified from being an elected member of any local authority is also disqualified from being a member of an IRP.

The regulations do not specify how members of an IRP are appointed but the 2003 Statutory Guidance (48-49) states:

“A local authority will need to consider carefully and plan its appointments process having regard to this guidance and the need to ensure that this process commands public confidence throughout all the communities in the local authority's area. The council should adopt an appointments process which it considers is best able to result in the membership of its independent remuneration panel being truly independent, well qualified to discharge the functions of the panel and representative of the diversity of the communities in the local authority's area.”

In constituting a Panel the main challenges are being able to identify panel members with sufficient knowledge and experience to make informed evaluations on such roles when in practice they may only be called on to do so every 4 years, and often are not able to draw on any comparable experience. Secondly, to engender public confidence in the approach ideally we need panel members who are suitably independent of the local authority, who have no direct conflicts of interest in any

significant aspects of that local authority's business yet have a sufficient knowledge and understanding of the local context in which we operate.

Taking that into account, in the last IRP review, Full Council therefore approved the panel composition as follows:

- Dr Declan Hall as the appointed Chair – an experienced IRP chair with many years of experience of working on allowances reviews for a wide range of authorities and who has advised UK and regional governments in relation to allowances.
- Senior Officer from East Midlands Chamber of Commerce
- Regional Secretary of Midlands Trade Union Congress (TUC)
- Chair of Leicestershire & Rutland Magistrates Bench or other member of the local judiciary as proposed by the Chair

In addition, Full Council previously approved that in order to ensure that the Panel represents the views of city residents, up to three members of the public who meet the statutory conditions for membership of the panel be appointed by the Director of Delivery, Communications and Political Governance on the recommendation of the Chair of the Panel, following an open and formal public recruitment exercise.

The range of skills and experience of that panel worked effectively in 2015 and it is therefore proposed to follow a similar approach for the 2019/20 review utilising the same panel composition including up the recruitment of up to three members of the public.

Any representative who is put forward (or in the case of city residents who applies) must meet the following:

- Not be directly related to or have any close personal relationship with any elected member or employee of Leicester City Council;
- Be perceived from a public perspective as an individual who is suitably independent of the Council to include no direct funding relationship (other than in a routine manner such as a Council Tax payer); and
- Have skills in assimilating a range of information and evidence and being able to make informed and balanced judgements on that basis.

The organisations / individuals named above have all been approached and agreed in principle to being involved subject to approval by Full Council.

3.3 Report and Timescales

In preparing its report and considering its recommendations the IRP will be asked to take into account:

- allowances schemes in the Leicester City Council comparator group of councils that may consist for example of other mayoral authorities, the core cities group of authorities and geographically neighbouring cities where these do not fall within the previous categories;

- the views of Members, both written and oral; and
- the economic climate and the need for recommendations which could be feasibly met within the existing budget envelope available.

The timescale proposed for the review is:

- Recruitment of panel members – June – September 2019
- Preparatory work – September – October 2019
- Meetings of the Panel – October - November 2019
- Panel report – January 2020
- Recommendations to Council – March 2020
- Scheme in place – 1st April 2020

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

It is estimated that the chair of the panel will undertake 8 day's work on the review at a cost of around £5,200 plus expenses to include:

- Leading the organisation of the review including preparing the terms of reference and information pack for the Panel;
- Preparatory meetings in Leicester with relevant Officers to gather background information, collecting and analysing comparative information, and gathering views from Members;
- Preparing the training presentation for the IRP;
- Visiting Leicester City Council to chair the IRP;
- Leading on the first full draft of the report, including further research and any necessary follow up interviews via telephone, and further redrafting based on
- any comments received from other IRP members; and
- Producing the final draft of report to send to council.

Any time reasonably undertaken over and above the estimated 8 days will be considered and a mutual agreement reached with the Director of Delivery Communications and Political Governance. This is consistent with the approach taken in 2015.

The Local Authorities (Members' Allowances) (England) Regulations 2003 (section 20.3) specifies that an Authority may pay allowances or expenses to Panel members. Rather than pay a specific fee it is proposed that the other panel members be given the opportunity to claim for loss of earnings of up to £175 for each full day plus reasonable expenses. It is estimated that no more than 3 days' work will be required by panel members giving a potential maximum cost of £3,150 plus any expenses incurred. Any claims received will be assessed and approved by the Director of Delivery Communications and Political Governance. Again this is consistent with the approach taken in 2015.

Any resources or support provided to the Panel by the Council will be met from within existing budgets.

It is therefore estimated that the review process will cost in the region of £8,150 plus expenses.

Colin Sharpe, Head of Finance, ext. 37 4081

4.2 Legal Implications

The legal issues which are pertinent to the appointment and function of the IRP are covered within the main body of the report

Kamal Adatia, City Barrister & Head of Standards, 454 1401

4.3 Equalities implications

Although there are no direct equalities implications arising from the recommendations of this report, there are several potential equalities issues which may need to be considered as part of the review of the scheme of allowances.

In particular, the panel will be required to make a decision on whether dependant carers' allowance should be payable and the amount. If there are changes to this, there may be a disproportionate impact on those with the protected characteristic of pregnancy and maternity, who are parents or those who care for a disabled or elderly relative. A change to dependant carers' allowance may also have a disproportionate impact in terms of sex, as women are more likely to be lone parents with primary responsibility for childcare, spend more time on childcare responsibilities and are more likely to become a carer for an adult relative.

The report outlines proposed steps to ensure that the panel is representative of the diversity of the community of Leicester, including by recruiting three members of the public to sit on the panel to ensure a diversity of thought, background and experience. The open and formal public recruitment exercise should be undertaken in such a way that bias is minimised, and which would promote equality of opportunity for people from across all protected characteristics.

Hannah Watkins, Equalities Manager ext. 37 5811

4.4 Climate Change

There are no significant climate change implications associated with this report.

Aidan Davis, Sustainability Officer, 37 2284

5. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph References Within the Report
Policy	N	
Sustainable and Environmental	N	
Crime and Disorder	N	
Human Rights Act	N	
Elderly/People on Low Income	N	
Corporate Parenting	N	
Health Inequalities Impact	N	

6. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

None

7. CONSULTATIONS

Kamal Adatia – City Barrister & Monitoring Officer

8. REPORT AUTHOR

Miranda Cannon
 Director of Delivery, Communications and Political Governance
 0116 454 0102