
Independent Remuneration Panel Report

Decision to be taken by: Council

Date of meeting: 19th March 2020

Lead director/officer: Director of Delivery,
Communications and Political Governance

Useful information

- Ward(s) affected: All
- Report author: Matthew Reeves
- Author contact details: matthew.reeves@leicester.gov.uk

1. Summary

To present to Council the final report of the Independent Remuneration Panel (IRP).

2. Recommended actions/decision

Members are recommended to:

1. Consider the content and recommendations of the Independent Remuneration Panel's Report on Members' Allowances.
2. Make a Members' Allowances Scheme (MAS) for the City to take effect from 1st April 2020.

3. Scrutiny / stakeholder engagement

The IRP review process undertook a full process of consulting with Councillors and relevant officers for their views on the Members' Allowance Scheme and associated regulations and legislation. The Panel also spoke with a considerable number of post holders on the Council as well as other Councillors who requested to speak with them. This took place during the time period of November 15 2019 to February 7 2020.

4. Background and options with supporting evidence

Under the Local Authorities (Members' Allowances) (England) Regulations 2003 (section 19.1), all councils must make a scheme providing for the payment of allowances to Members (ie Councillors and Elected Mayors) and before a Council makes or amends such a Members' Allowances Scheme, it must publish and have regard to a report and 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-optee's allowance
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- the amount of such allowances and the amount of basic allowance;
 - whether dependent 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.

5. Detailed report

5.1 At the Council meeting on 13 June 2019 it was agreed to set up an IRP to conduct a review for Leicester. The IRP invited views from all elected Members and undertook a series of meetings and has now presented its final report (attached at Appendix A). A summary of the representations and evidence received by the IRP is detailed in the IRP report and its appendices.

The determination of the Council's Scheme of Members' Allowances is a matter reserved to full Council. The Independent Remuneration Panel's report is such that its contents and recommendations can, if the Council so wishes or subject to any variation Council may decide, form the Members' Allowances Scheme for the current Municipal year. A draft Members' Allowances Scheme in those terms is, therefore, also attached at Appendix B.

5.2 Publicity for the Recommendations of the Panel

As required Local Authorities (Members' Allowances) (England) Regulations 2003 in addition to publishing the report on the Council's website (www.leicester.gov.uk/remunerationpanel), a copy was made available in the Council's Customer Services Centre on Granby Street and a notice placed in the Leicester Mercury (5th March). As the IRP is independent of the Council, officers are unable to respond to comments concerning the report. However, members of the public have been invited to forward any comments to the members-services@leicester.gov.uk email address by 5pm on 16 March 2020 in order to allow comments to be collated and made available to Members at this meeting.

5.3 Context

The last IRP held by Leicester City Council was in 2016 with the findings reported to the meeting of Council held on 17 March 2016 (min 33 refers).

As referred to in the IRP report the Panel were asked to consider its recommendations in the light of the Council's financial situation and wider economic climate. The full financial impact of the changes within the recommendations can be difficult to map accurately as they will reflect individual claims and Council decisions regarding Member positions. For example, the impact of changes such as dependent care allowances will depend on Members personal and professional circumstances and require individual claims. However if the recommendations are implemented as published it will result in an estimated annual increase of around £7,560 against the current budget. Additionally, whilst it is hard to judge the full impact prior to implementation, the recommendations will maintain the efficiencies and reduction in the level of staffing resource required to administer the allowances scheme achieved following the 2016 review.

The Panel noted that the review in 2016 was a wide-ranging review which made a number of significant changes to the Members Allowance Scheme which was previously in place. The Panel in 2019/20 noted that there wasn't a similar need to undertake such a wide-ranging review, as the scheme was generally 'fit for purpose', but would focus on any anomalies which may have arisen over time and consider any representations regarding

aspects of the scheme that were thought to be inequitable.

There were a number of areas which the Panel recommended some change from the existing scheme, which are detailed below, otherwise the status quo was recommended.

Basic Allowance

The Panel undertook a 'triangulation' process which took into account three points of reference:

- I. Recalibration based on the 2006 Statutory Guidance
- II. Benchmarking
- III. Representation received by the Panel

The report considered this process in more detail, but the Panel gave consideration to factors such as; time spent on duties; the 'public service discount'; comparators on the rate of remuneration; and any feedback from Councillors. Taking all these factors into account, the Panel felt that the arising formula indicated that the basic allowance had comparatively dropped and it was out of line compared to similar comparator authorities on a median basis. Therefore, a small increase in the basic allowance to £10,974 was recommended.

Special Responsibility Allowance – City Mayor

The Panel took time to consider the principle of aligning the remuneration to that of an MP, but weren't convinced that this was appropriate, primarily because virtually no other Council's followed this approach and it would have meant a significant increase.

The Panel considered other benchmarking including other City Mayors and other roles such as a Police and Crime Commissioner and Combined Authority Mayors. There was clear evidence that the remuneration for Leicester's City Mayor had fallen behind comparative authorities and there was a rationale for the post to not receive less than the Leicestershire Police and Crime Commissioner, when relative responsibilities were taken into account.

The Panel therefore recommended an increase in the allowance to £75,000 for the post of City Mayor.

Chairs and Vice-Chairs of the Planning & Development Control and Licensing & Public Safety Committees

The Panel received representation that these roles merited a higher SRA, based on a number of arguments. Firstly, the quasi-judicial and high-profile nature of the roles meant that the meetings were challenging and considered highly technical matters. Further, there were considerably more meetings compared to Scrutiny Commissions. It was also noted that it was fairly common practice to pay more for these types of chair roles at other authorities. The Panel therefore recommended that the Chair's SRA be increased to £10,202 and Vice Chair to £2,250.

The In-Authority Travel & Subsistence Allowance

When considering this issue, the panel noted that from the benchmarking comparators, there were no other authorities that provided a lump sum for travel and subsistence. Some authorities paid nothing, and some had claims based arrangements. However, the

simplicity of the lump sum was thought to be something which shouldn't be lost as there were administrative / staffing cost benefits for the Council.

The Panel did however feel that the current allowance amount was excessive because; the comparatively high spend compared to other authorities; evidence that it didn't reflect actual costs / expenditure; and the Council provided free parking for Councillors attending meetings. The panel devised a formula based on likely travel costs for either bus or car and a likely amount for subsistence. The Panel therefore recommended that the Subsistence and Travel amount be set at £1000 per annum.

Dependent Carer's Allowance

The Panel spent considerable amounts of time considering issues around Dependent Carer's Allowance (DCA). It was the issue that the vast majority of Councillor submissions were focussed upon. The Panel also received verbal evidence from Councillors and direct legal advice on this issue. Overall the Panel were supportive of the principle of a DCA as it reduced barriers of entry to public service for traditionally underrepresented groups.

There were a number of concerns raised in relation the DCA, mostly based around concerns that the system was over complex and led to rejected payments, but it was also felt that there was a limited number of activities which were covered by the allowance and didn't reflect the realistic work of a Councillor. There was a great deal of sympathy around these issues, but ultimately it was agreed that the scheme as it stood reflected what was legally possible and therefore couldn't be fundamentally changed.

The Panel did however make recommendations for some changes to the scheme to increase rates and numbers of hours which were claimable. A suggestion was also made that better clarification be made about what is / isn't approved duties under the scheme.

5.4 Implementation

Should an implementation date of 1 April 2020 be agreed it is anticipated that following that date Members will be allowed 90 days to submit any claims for expenses covering the period up to and including 31 March 2020.

6. Financial, legal, equalities and other implications

6.1 Financial implications

The proposed schedule of revised allowances if all fully claimed would cost £1.017m, as set out in the Executive Summary of the panel report. Recognising that some allowances may however not be payable or may not be claimed in full, this cost is expected to be manageable within the current budget. Allowances will be indexed annually in line with staff pay awards, so assuming no further changes to allowances and that the Council's financial position allows uprating of budgets for pay awards, the budget position should remain similar throughout. - Colin Sharpe, Deputy Director of Finance.

6.2 Legal implications

This report highlights the key legal considerations in section 4, and the report of the Independent Remuneration Panel addresses legal considerations throughout. The Council is required, by Regulation 19 Local Authorities (Members' Allowances) (England) Regulations 2003, to "have regard" to the report of the IRP before making the Scheme.
Kamal Adatia, City Barrister and Head of Standards

6.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. Due regard to the Public Sector Equality Duty should be paid before and at the time a decision is taken, in such a way that it can influence the final decision.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

There are no direct equality implications arising from the report. The level of allowances within the scheme should not discriminate or create barriers for those who may wish to stand for office. Advancing equality of opportunity involves having due regard to the need to encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

Surinder Singh Equalities Officer Tel 37 4148

6.4 Climate change and carbon reduction implications

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

Aidan Davis, Sustainability Officer

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None.

7. Background information and other papers:

None

8. Summary of appendices:

Appendix 1 – Report of the Independent Remuneration Panel.

Appendix 2 – Draft Members' Allowance Scheme.

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)? No

10. Is this a “key decision”? If so, why?

No