
Independent Remuneration Panel Report

Decision to be taken by: Council

Date of meeting: 21st March 2024

Lead director/officer: City Barrister and Head of
Standards

Useful information

- Ward(s) affected: All
- Report author: Francis Connolly
- Author contact details: Francis.Connolly@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 2024.

3. Scrutiny / stakeholder engagement

The IRP undertook a full review process entailing consultation 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 14th November 2023 to 19th December 2023.

4. Background and options with supporting evidence

In accordance with Regulation 19(1) Local Authorities (Members' Allowances) (England) Regulations 2003 all Councils must make a Scheme providing for the payment of allowances to Members (i.e. 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

- 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 6 July 2023 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). References to the representations and evidence received by the IRP is set out within 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, be adopted in full. Alternatively, the Council may depart from or vary the Panel's recommendations to create the Members' Allowances Scheme for the current Municipal year. A draft Members' Allowances Scheme in the terms proposed by the Panel is, therefore, also attached at Appendix B.

5.2 Publicity for the Recommendations of the Panel

As required by law [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 (1st March 2024).

5.3 Context

The last IRP commissioned by Leicester City Council convened during in 2020 and a Scheme was approved in April 2021.

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 outlay will reflect individual claims and Council decisions regarding Member positions which attract SRAs. For example, the impact of changes such as Dependent Carer's Allowances will depend on Members' personal and professional circumstances and require individual claims during the municipal year. The proposals of the Panel lead to no increase in the overall financial envelope for member allowances.

There are some areas which the Panel recommended some change from the existing Scheme. Those of most significance are detailed below. Full detail, including the rationale for both change and maintaining the status quo in respect of the various allowances is included within the full report attached at Appendix 1.

Basic Allowance

The Panel proposes that the in-City Travel and Subsistence (£1,000) and Telecommunications and Support Allowance (£333) are discontinued, and instead subsumed within the new recommended Basic Allowance, which now stands at £12,900 per member. Given the consolidation with other allowances, this represents a nominal variance in the overall increase in the level of basic allowance to be paid to Members.

Special Responsibility Allowances (SRA)

The Panel proposes that the rule within the Members' Allowances Scheme that a member can receive no more than one SRA be unchanged.

Standards Committee Allowances

The Panel felt that the role of the Chair of the Standards Committee did not meet the test of requiring a significant time commitment, and noted that the vast majority of the work related to handling Code of Conduct complaints is undertaken by the Monitoring Officer together with the Statutory Independent Persons. It therefore proposes that the SRA currently paid to the Chair of the Standards Committee is discontinued.

Group Leader's Allowances

The Panel proposes that in order for a Group Leader's SRA to be paid, that a qualifying threshold has to be reached, set at 10 per cent of the Council seats, which is five. The calculation methodology (£1,206 plus £302 per other Group Member) is to be maintained. An exception is included to account for the circumstance where there are only minority groups of less than five members.

Group Whips' Allowances

The Panel proposes to reset the SRA for the Chief Whip of the Majority Group at £6,038 and to pay an SRA of £2,851 to the Chief Whip of the largest Minority Group. In proposing this, the Panel felt that the reduction in the number of members within the majority group should correspond with a decrease in SRA. Furthermore, the Panel noted that the largest Minority Group has 32% of the Council seats and therefore felt that an SRA should be paid to the Group Whip.

Civic Allowances

The Panel noted that the Civic Allowance previously paid to the Lord Mayor was £18,370, which included £5,929 which was administered by the Member and Civic Support manager. To avoid confusion, the Panel proposes that the money held back for administrative purposes should be removed from the scheme as it was not a Civic Allowance. The Panel proposes to not reduce the overall figure of £18,370, and proposes that the stated SRA to the Lord Mayor should instead simply state £12,441.

The Panel also proposes to reset the Civic Allowance for the Deputy Lord Mayor at 25 per cent of the Lord mayor's Civic Allowance (£12,411) which equates to £3,101. The panel proposes this in light of the respective number of events and engagements attended by the Lord Mayor and Deputy Lord Mayor.

Dependant Carer's Allowances

The Panel recommended that the Dependant Carer's Allowance (DCA) be amended as follows:

That the current maximum hourly rate claimable for the childcare element is discontinued and replaced with the following:

- a. The childcare element of the DCA can be claimed at the maximum hourly rate based on the Real Living Wage, which is currently £12 per hour
- b. Members can claim for up to 1 hour before the start and for 1 hour after the end of an approved duty
- c. The weekly cap on the number of hours (20) that can be claimed under the DCA is lifted to 25 hours per week, regardless of the number of dependents a Member may have
- d. That the DCA continues to be claims based with claims backed up by receipts

Travel Allowances

The Panel proposes that the allowances scheme is amended to clarify that where a Member is using an electric or hybrid vehicle on an approved duty outwith the City that they are able to claim mileage at AMAP rates, which is currently 45p per mile for the first 10,000 miles and 25p per mile thereafter.

Annual Incremental Increase of Allowances

The Panel proposes that the Basic Allowance, SRAs, Co-optees' and Civic Allowances and the remuneration of the Independent Persons be updated annually in line with the annual percentage pay increase given to Leicester City Council employees (and rounded to the nearest £ as appropriate) as agreed for each year by the National Joint Council for Local Government Staff at Spinal Column Point 43.

5.4 Implementation

Should an implementation date of 1 April 2024 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 2024.

6. Financial, legal, equalities and other implications

6.1 Financial implications

The proposed schedule of revised allowances if all fully claimed would cost £1.126m. 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.

Martin Judson, Head 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