

Report of the Independent Remuneration Panel

Date: 18th January 2023

Report of: City Solicitor

Report to: Council

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Independent Remuneration Panel provides advice to Leeds City Council about its overall remuneration scheme and the amounts payable to elected members.

The Panel met on 8th November 2022 to consider the uplift in Members' Allowances in light of the agreed local government pay award.

The conclusions and recommendations of the Panel are summarised in the appended report.

Recommendations

Members of Council are asked to note the comments, conclusions and recommendations set out in the appended report from the Independent Remuneration Panel.

Members are specifically asked to agree:

- An uplift in Basic Allowance of the equivalent of 4.04% backdated to 1st October 2022.
- That there be no uplift in Special Responsibility Allowances at this time.
- Where applicable, individual Members cease the current 3% reduction in Special Responsibility Allowances, with that being applicable from no earlier than 1st October 2022.
- All Allowances, contained in Schedule two of the Members' Allowances Scheme be uplifted as per the NJC pay award from 1st October 2022.
- From 1st April 2023, the uplift in Basic and Special Responsibility Allowances be applied on a financial year basis rather than from the 1st of October each year.
- That the Independent Remuneration Panel be asked to consider the outcome of the NJC local government pay settlement for 2023/24 with a view to recommending an uplift in Members' Allowances for 2023/24.
- That a longer-term indexation formula be reviewed by the Panel when they next meet to consider the uplift for 2023/24.

What is this report about?

- 1 As Council will recall, the Allowance Scheme sets out that the amounts referred to in paragraphs 3, 4 and 6 of the scheme will be increased yearly on 1 October in line with the headline pay increase negotiated through the National Joint Committee for Local Government Employees (or equivalent).
- 2 The National Employers and Trade Unions have now agreed a one-year (1 April 2022 to 31 March 2023) pay offer of an increase of £1,925 on all NJC pay points 1 and an increase of 4.04% on all allowances.
- 3 It has been usual in recent years for a pay settlement to be a percentage figure of a salary with this percentage figure then applied to the Members' Allowances (both Basic and SRA) as set out in the Members' Allowance Scheme.
- 4 As the current offer is a fixed monetary value along with a percentage uplift in other travel and subsistence allowances, further consideration by the IRP has been necessary to determine how an uplift will be applied to the Members' Allowances Scheme

What impact will this proposal have?

- 5 The recommendations of the IRP will result in an increase in the Basic Allowance paid to elected Members and in future annual uplifts being from 1st April each year rather than 1st October.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 6 There are no such specific implications arising from this report.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 7 All Group Leaders have been advised of, and no objections have been raised in response to, the Panel's recommendations.

What are the resource implications?

- 8 If agreed by Council, the financial impact of the uplift will be neutral with the uplift having been fully accounted for in the 2022/23 budget.

What are the key risks and how are they being managed?

- 9 There are no new risks created through the application of these recommendations.
- 10 Due to the way in which pay increases are negotiated for local Government Employees it is not possible to determine the specific impact on future budgets. Given the volatility presently the IRP recommend that they review the impact of the 2023/24 pay award rather than or future of continuing to apply any such increases to the member allowance scheme.

What are the legal implications?

11 The recommendations made by the IRP are compliant with The Local Authorities (Members' Allowances) (England) Regulations 2003

Options, timescales and measuring success

What other options were considered?

12 The IRP explored a range of options to identify the most appropriate and balanced method for applying an uplift in Members' Allowances.

How will success be measured?

13 Any decision regarding the recommendations of the Independent Remuneration Panel is a matter for full Council.

What is the timetable and who will be responsible for implementation?

14 If approved, the recommendations of the IRP will be implemented with immediate effect.

Appendices

- Appendix 1: Report of the Independent Remuneration Panel (November 2022)

Background papers

- None