

Report of Panel on Members' Allowances

May 2016

The purpose of this report is to set out the Independent Remuneration Panel's recommendations having considered a request for two minor amendments to the Members Allowances Scheme these being;

- a. An extension of the period for the annual updating of allowances linked to the headline pay increase negotiated through the National Joint Council for Local Government Employees (the current permitted period of updating expires in June 2016) to June 2020, and;
- b. Following a review of the support requirements for the Executive, an adjustment to the current formula by which the number of remunerated Deputy and Support Executive Members are determined. The Panel is asked to consider this being adjusted to allow for the equivalent payment to continue being 4 x Deputy and 9 x Support Executive Members but with the addition of 10% to this baseline. This will provide greater flexibility to the council whilst also maintaining a 'ring-fence' to this aspect of the allowance scheme.

1.0 INTRODUCTION

1.1 The Independent Panel on Members' Allowances was appointed by the Council to make recommendations on Members' Allowances in accordance with the Government's statutory guidance and the relevant Regulations. These are currently the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Regulations'). The Panel now consists of Sir Rodney Brooke CBE DL (Chair), Dave Fortune, Matthew Knight and Carolyn Lord.

1.2 Since the last report considered by the IRP in 2014, the political composition of the Council has remained largely unchanged. The Labour Group continues to form the Administration of the Council.

1.3 The composition of the Council is as follows:

Labour	63
Conservative	19
Lib Dem	9
MBI	5
Green	3

- 1.4 The last time the panel met recommendations were made and agreed by the Council to;
- a) Reflect special responsibility allowances as a 'percentage value' of the allowance attributed to the role of Leader of Council.
 - b) Allowances of chairs of Community Committees and the Licensing Committee;
 - c) Introduce a specific allowance to recognise the role of the leader of the largest opposition group;
 - d) Allowances for the Chief Whip of the largest group, the Chief Whip of the largest opposition group, other whips with groups with more than 10% of the membership of council;
 - e) Introduce an allowance for members of the Executive Board without portfolio.
 - f) Lower the allowance paid to the Chair of the Climate Change and Environmental Working Group.
- 1.5 Since 2011 to present, Members have taken a 3% reduction on all Special Responsibility Allowances over the value of £7k pa. There are no plans to reverse that reduction for 2016/17.

2 Annual Updating of Allowances

- 2.1 The Local Authorities (Members' Allowances) (England) Regulations 2003, enable an allowances scheme to make provision for an annual adjustment of allowances by reference to an index as may be specified by the authority. The present allowance scheme makes provision for basic, special responsibility and dependent carers' allowances to be increased each October in line with the headline pay increase negotiated through the National Joint Council for Local Government Employees (or equivalent).
- 2.2 Regulations also provide that where an authority has regard to such an index it must not rely on that index for longer than a period of four years before seeking a further recommendation from the IRP on the application of the index to its scheme.
- 2.3 The IRP last considered this matter in June 2012 and it is now timely for the indexation to be reconsidered by the IRP. It is the council's view that, whilst members have not in recent years taken any increases due, the annual indexation provision continues to meet the needs of the council. The IRP agree with this view and recommend that the indexation continue in its present form until June 2020.

3 DEPUTY AND SUPPORT EXECUTIVE MEMBERS

- 3.1 The Leader of Council has recently reviewed the portfolio responsibilities of Executive Board members and the method by which those members receive support from members of the Administration in their leadership responsibilities.
- 3.2 As a consequence of that review the Leader has identified the need for 5 x Deputy Executive Members and 7 x Support Executive Members to provide the necessary support to the Executive. The current formula within the allowances scheme allows for a degree of flexibility in determining the number of remunerated positions - provided that the allowances paid do not exceed the equivalent payment of 4x Deputy and 9x Support Executive Members - a 'ring fence' of £89,843.03.

3.3 The support needs identified by the Leader marginally exceed the 'ring-fence' described (by £1.9k) and it is to principally accommodate this that the Administration ask the IRP to consider proposals for additional flexibility to this aspect of the Allowance Scheme. Whilst the Administration has no plans to further extend the number of Deputy and Support Executive Members (for 2016/17 5xDeputy and 7x Support Executive Members) the IRP was asked to consider an adjustment to the current formula to provide further flexibility.

3.4 Specifically the Panel was asked to consider that the current 'ring-fence' formulae be adjusted to allow for the 'ring-fence' budget to be comprised of 4x Deputy and 9x Support Executive Members (as now) plus 10% - this would increase the 'ring fence' by £8,984.30 and is affordable within the existing allowances budget. The IRP agree that such an amendment will provide further flexibility to the council (without recourse to having to seek the IRPs view on minor adjustments) whilst also maintaining a 'ring-fence' to this aspect of the allowances scheme.

4.0 Consultation

4.1 The IRP were been informed that Group Leaders had been consulted on the proposals set out in this report prior to them being submitted to us. Other than the Green Group and MBI Group, who are of the view that the allowances paid to Members under the scheme are too high, no objections to the proposals were been raised by Group Leaders.

5.0 Recommendations

5.1 The Independent Remuneration Panel recommendation is that the Leeds City Council Members' Allowances Scheme be amended to provide;

- An extension of the period for the annual updating of allowances linked to the headline pay increase negotiated through the National Joint Council for Local Government Employees to June 2020.
- A minor adjustment to the allowance scheme to allow greater flexibility in the number of remunerated Deputy and Support Executive Members by establishing the 'ring-fenced' budget to be equivalent to 4x Deputy and 9x Support Executive Members plus 10%.

Rodney Brooke (Chair)

Dave Fortune

Matthew Knight

Carolyn Lord

26th May 2016