

LEEDS CITY COUNCIL

Report of Panel on Members' Allowances

July 2006

Introduction

1. The Independent Panel on Members' Allowances was appointed by the Council to make recommendations on Members' Allowances in accordance with the relevant Regulations and the Government's statutory guidance. The original Panel comprised Rodney Brooke CBE (Chair), Trevor Nuttall and Carolyn Stephenson. The Council has recently appointed to the Panel a fourth member, Gordon Tollefson.
2. The Panel issued its first report in May 1999. It updated its recommendations in October 2002 following new Government guidance. The Council adopted those recommendations with modifications. In subsequent reports the Panel made further recommendations which again were accepted, in some cases with modifications.
3. The Panel has now been asked by the Council to consider further matters relating to the Scheme.

Scrutiny Commission Chairs

4. At its Annual Meeting in 2005, the Council decided to reorganise its Scrutiny function. In a report of May 2005, the Panel made recommendations in relation to the new system. The Council agreed the recommendations in full. *Inter alia*, the Panel recommended that the Chairs of the three new Scrutiny Commissions should each receive a special responsibility allowance which reached £12,219. When making this recommendation, the Panel also reserved the right to review the special responsibility allowance in the light of experience.
5. The Panel did so in January 2006. The Scrutiny Commissions were conceived as a method of tackling cross-cutting issues quickly, allowing a group of elected Members to examine an issue in depth over a short period of time before moving on to tackle another issue. Experience showed that the Commissions were substantially less occupied than expected. Accordingly the Panel reduced to £4,576 its recommendation for the special responsibility allowance to be paid to the Chairs with effect from the municipal year 2006/07. The Council accepted the recommendation.
6. In the event, at its annual meeting on 22 May 2006, the Council decided to dispense with Standing Commission Chairs. The facility to convene Scrutiny Commissions continues but in future any Commissions will be chaired by a member of the Overview and Scrutiny Committee.

7. Accordingly, **the Panel recommends that the special responsibility allowances paid to Scrutiny Commission Chairs be removed from the Members' Allowances Scheme.**

Index Linking of Allowances

8. The Members' Allowances Scheme makes provision for the annual updating of basic, special responsibility, co-optees' and dependants' (children) carers' allowances in line with the headline pay increase negotiated through the National Joint Committee for Local Government Employees; for the annual updating of dependants' (other than children) carers' allowance in line with the rate paid by the Department of Social Services (now Adult Services); and for the annual updating of travel and subsistence allowances in accordance with the rates claimable by officers. The indexation was recommended to continue until September 2007, the maximum period allowed by Regulation 10(5) of the Local Authority (Members' Allowances) (England) Regulations 2003.
9. As the Panel plans no further meetings in the immediate future, we **recommend that the annual updating of allowances continues until July 2010 in accordance with the indices listed in the previous paragraph.**
10. We have been told that the Council intends not to update the basic and special responsibility allowances in 2006-07. We disagree strongly with this intention. The ground thus lost will not easily be clawed back and any future increases above inflation could meet with adverse publicity. There is an overwhelming need not merely to recognise the vital contribution to civic life made by councillors – but also a crucial need to continue to attract able people who can give the time to work as councillors. It is highly desirable to secure councillors who are more representative of the community as a whole, in terms of age, gender and ethnic origin. The Council should have regard to the recent (May 2006) interim report by Sir Michael Lyons, which records the fact that councillors are 'unrepresentative, poorly rewarded and under-valued'. Sir Michael expresses the belief that 'concerted effort is required to make becoming (and remaining) a councillor more attractive'. In contemplating uncoupling allowances from inflation, we believe that the Council would be acting contrary to the long-term interests of the City and to the tenor of Government policy as represented by Sir Michael. In our report of October 2002 we said that *The need for able councillors is particularly crucial in a great City like Leeds. It is the second largest Metropolitan District Council in England, with a population of 727,000 and an annual budget of £1.5bn, greater than many nation states... It is pivotal to the success of the Yorkshire region.* Such a vital and important city should not jeopardise its governance. **We urge the Council to relinquish its intention to change the members' allowances scheme by removing the link to inflation.** If the present members feel reluctant to accept the current level of allowance, then they are free to disclaim it in whole or in part. But we believe that they should not jeopardise the future recruitment of councillors by a short-term measure such as this.

Lead Members

11. The Council currently has a total of sixteen Lead Members who undertake a range of roles in support of members of the Executive Board and who receive a special responsibility allowance of £4,378. Hitherto there were additional Lead Members who received no special responsibility allowance in respect of that role because they received a special responsibility allowance in respect of another role. The role of Lead Member is used flexibly in connection with a range of portfolios and priorities which change from year to year. Each Lead Member is given a specific brief and defined objectives which, typically, will include:

- taking the lead on a specified area of policy
- oversight of a particular service/operational area
- attending, chairing or deputising at specific meetings and forums.

12. The Council believes that its experience shows that there is a need for additional lead members, citing the Children Act 2004 as one reason for the need. At its annual meeting, it appointed nineteen Lead Members and looks to this Panel to extend the special responsibility allowance to the additional three members. Two members (one Liberal Democrat, one Conservative) will attach to each portfolio. In addition three Labour councillors will be appointed as Lead Members.

13. In its guidance (2003) on the current Members' Allowances Regulations, the Government said 'If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified... It does not follow that a particular responsibility which is vested to a particular member is a significant extra responsibility for which a special responsibility allowance should be paid.' There must be a presumption that if the greater proportion of members have an entitlement to a special responsibility allowance, then in some cases the extra task for which they are entitled to be paid could be regarded as falling within the Basic Allowance. In smaller Councils there may well be a need to exceed the 50% target, simply because there are more jobs to be done that can be discharged by half the members of the Council. This cannot apply to a Council with 99 members. Though we recognise the reduction in special responsibility allowances caused by the elimination of the Standing Commission Chairs, implementation of the Council's current proposals would still result in 60% of councillors receiving a special responsibility allowance.

14. Though we understand the special political circumstances in the Council, we are unhappy with a structure which gives such a result. We hope that the Council will review the political structure with a view to curtailing the numbers of those eligible for a special responsibility allowance. We are ourselves conscious that we have recommended a number of incremental changes to the members' allowance scheme and that the time is approaching when a full review should be carried out. Certainly we believe that any

substantial change in the political governance of the Council should result in a full review of the scheme.

15. On previous occasions, from the information available, the Panel has recommended a lower level of special responsibility allowance for Lead Members than has subsequently been approved by the City Council. We feel that greater clarity is required about Lead Members' remits.
16. However, in the present situation, we recognise that it is the function of the City Council – not ourselves – to determine the member structure which will govern the City. Recognising that principle, we **accept that a special responsibility allowance of £4,378 should be made available to 19 Lead Members**. In order to establish clarity in the role of these Lead Members, we **recommend that a job description should be prepared for each post of Lead Member**.

Deputy Group Whips

17. The current Members' Allowances Scheme makes provision for a payment to the Whip in each group with 10% or more of the membership of the Council. This special responsibility allowance recognises the important role which the Whips play in the business management of the Council. The workload placed upon Whips has greatly increased, partly as a result of the present political structure of the Council and partly through the development of new areas of work such as the introduction of personal development planning for Councillors. The increasing workload of the Whips has led to the practice in the larger groups of appointing Deputy Group Whips.
18. Without prejudice to the point we make in paragraphs 13 and 14 above, we recognise the workload now carried by the Deputy Group Whips. We believe that it would be appropriate to allocate to them a special responsibility allowance. We believe that a link to the special responsibility allowance paid to the lead members would be an appropriate recognition of their role. **We recommend that the Deputy Chief Whips of groups with 10% or more of the membership of the Council should receive a special responsibility allowance of £4,378.**

Date of implementation

19. **We recommend that the changes in allowances which we recommend be backdated to 22 May 2006, the date of the annual meeting of the Council.**

20. Summary of recommendations

We recommend that

- (a) **the special responsibility allowances paid to Scrutiny Commission Chairs be removed from the Members' Allowances Scheme.**

(b) the annual updating of allowances continue until July 2010 in accordance with the present indices.

(c) a job description be prepared for all Lead Members and that up to 19 Lead Members be paid a special responsibility allowance of £4,378.

(d) the Deputy Group Whips of Groups with 10% or more of the membership of the Council be paid a special responsibility allowance of £4,378.

(e) the changes in allowances recommended in this report be backdated to 22 May 2006.

**Rodney Brooke
Trevor Nuttall
Carolyn Stephenson
Gordon Tollefson**

3 July 2006