

LEEDS CITY COUNCIL

Independent Remuneration Panel

Report of Panel on Members' Allowances

June 2019

Introduction

1. The Independent Remuneration 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. Following a recruitment exercise undertaken in 2018 the Panel now consists of Dr. Kate Hill, Chris Jelley, Kevin Emsley and Matthew Knight,
2. There are a number of changes to the political structure of the Council and other issues, as a result of which it now seeks the advice of the Independent Remuneration Panel on, these are:
 - 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 2020); and,
 - b. The level of Special Responsibility Allowance payable to:
 - I. The Co-opted Independent Member of Corporate Governance and Audit Committee;
 - II. The Chair to the Advisory Committee on Climate Change.
 - III. The Shadow Chair to the Advisory Committee on the Climate Change
3. The Panel met on the 4th June 2019 to consider these matters and make recommendations to the Authority.

Annual Updating of Allowances

4. 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.
5. We note that 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).

6. We also note that Regulations 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. When the IRP last considered this matter in June 2016 we made recommendations to continue the indexation until June 2020.
7. We believe that the annual indexation provision continues to meet the needs of the council and to facilitate good administration of the scheme, **we therefore recommend that basic, special responsibility and dependent carers' allowances continue to be increased each October in line with the headline pay increase negotiated through the National Joint Council for Local Government Employees and that this indexation continue until June 2023.**

Special Responsibility Allowances

The Co-opted Independent Member of Corporate Governance and Audit Committee:

8. In light of best practice guidance from the Chartered Institute for Public Finance and Accountancy (CIPFA), the Annual Council Meeting in 2019 resolved to make provisions for an Independent Member appointment to the Corporate Governance and Audit Committee.
9. We recognise and support the positive steps taken by the council to respond to the best practice in this important area and agree with the Council that this should attract, in recognition of the anticipated responsibilities around governance and probity, a special responsibility allowance.
10. In coming to a view on the level of allowance, we have reviewed payments made by other local authorities, the frequency of formal meetings of the committee and the depth of preparation required.
11. We have also had regard to number and role of statutory co-opted Members that the authority has appointed and remunerate on the Children and Families Scrutiny Board.
12. In light of these considerations **our recommendation is that the rate of SRA for the Independent Co-opted Member of the Corporate Governance and Audit Committee should be 2% of the Leader of Council's SRA.**
13. We note the intention of the authority to appoint to this role during the Municipal Year with the allowance becoming payable on successful completion of that exercise.

Advisory Committee on Climate Change

14. We are aware that since July 2011 the Allowance scheme has contained a Special Responsibility Allowance in recognition of the role of the Chair of the Climate Change and Environmental Working Group. This role has attracted an allowance of 16% of the Leaders SRA.

15. Following a recommendation from the General Purposes Committee, we note that the Annual Council meeting has now established an Advisory Committee on Climate Change to provide Member-led oversight of the council's response to the climate change emergency through the provision of advice across council and executive functions.
16. We are advised that the Advisory Committee will be chaired by a non-Executive Member and, in addition to advising the Executive, will also provide advice, and also regularly report to full Council. We understand the committee will meet in public under the provisions of the Council's Access to Information Procedure Rules.
17. We recognise that these changes necessitate a re-designation of the role of Chair of the Climate Change and Environment Working Group to Chair of the Advisory Committee on Climate Change and also, given the breadth of the responsibilities we have been asked to review the Special Responsibility Allowance that has hitherto been paid.
18. In addition and arising following consultation with Group Leaders, we have been advised that political agreement was reached between the Leader of Council and the Leader of the Opposition for the designation of a new role of Shadow Chair to the Advisory Committee on the Climate Change. This being in recognition of the anticipated scale of work to be progressed by the committee and the need to facilitate close all party engagement on this important issue.
19. We also understand that agreement was reached that the role would be appointed to by the Leader of the Opposition and, in light of the anticipated role, should attract a Special Responsibility Allowance – but that this should be equivalent to not more than 50% of that recommended by the IRP for the chair.
20. This is an innovative step for the authority that does not appear to have been replicated elsewhere - we have therefore not been able to utilise any comparisons with other local authorities to guide our assessment of allowances.
21. We have though taken full account of the wide remit for the new committee which includes all functions of this authority and we are of the view that this is an important factor for our considerations. We also recognise the very likely need to engage across a variety of partners across of the City on this important agenda. We do note though that the committee does not have statutory scrutiny powers and nor does it have delegated authority for decision making assigned to it.
22. In balancing these factors we agree with the council's view that the role should be less than the rate payable to a Scrutiny Chair but more than that payable to a Plans Panel Chair. **Our recommendation is that the Special Responsibility Allowance for the Chair of the Climate Change Advisory Committee should equate to 40% of the Leaders SRA but that this be reviewed by the Panel again in 12 months' time.** We feel this is necessary to enable us to reflect on the level SRA in light of how the role of chair develops in the committee's first year of operation.

23. In relation to the role of Shadow Chair, we note that this is a new step taken by the authority; we recognise the rationale behind this and that the role will be crucial in developing cross party work in this important area. **Our recommendation is that the Special Responsibility Allowance for the Shadow Chair of the Climate Change Advisory Committee should equate to 20% of the Leaders SRA but that this be reviewed by the Panel again in 12 months' time.** Again we feel this is necessary to enable us to reflect on the level of SRA in light of how the shadow role develops in the committee's first year of operation.
24. In relation to both these allowances our view is that payments should be backdated to the date on which the Members undertaking these roles were appointed to them.

Recommendations

25. In summary the Leeds Independent Remuneration Panel's recommendations to the authority are that:
- I. Basic, special responsibility and dependent carers' allowances be increased each October in line with the headline pay increase negotiated through the National Joint Council for Local Government Employees and that this indexation continue until June 2023.
 - II. The rate of Special Responsibility Allowance for the Independent Co-opted Member of the Corporate Governance and Audit Committee should equate to 2% of the Leader of Council's SRA.
 - III. The Special Responsibility Allowance for the Chair of the Climate Change Advisory Committee should equate to 40% of the Leaders SRA but that this be reviewed by the Panel again in 12 months' time.
 - IV. The Special Responsibility Allowance for the Shadow Chair of the Climate Change Advisory Committee should equate to 20% of the Leaders SRA but that this be reviewed by the Panel again in 12 months' time.
26. In relation to recommendation III & IV our recommendation is that payments be backdated to the date on which the Members undertaking these roles are appointed to them.
27. In making our recommendations we are conscious that it is sometime since the various roles attracting a Special Responsibility Allowance have been considered collectively. We observe for example that the Chair of the Corporate Governance and Audit Committee will, subject to our recommendations being accepted, equate to the shadow chair role of the Climate Change Advisory Committee.

28. It is our intention, when revisiting the new Climate Change Advisory Committee roles, to take a holistic overview of the level at which roles that attract a **Special Responsibility Allowance** are remunerated, taking account of (but not limited to):
- The breadth and nature of responsibilities undertaken;
 - Contribution to corporate priorities;
 - Time commitments of the role;
 - Decision making and constitutional remit;
29. At the conclusion of that exercise recommendations may be forthcoming to the Authority to assist in ensuring the Members' Allowances Scheme remains up-to-date and fit for purpose.

The Leeds Independent Remuneration Panel

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June 2019