

# Report of the Independent Remuneration Panel

Date: 20 July 2022

Report of: Head of Democratic Services

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 23 May 2022 to consider a range of matters relating to the scheme of special responsibility allowances. The Panel also took the opportunity to review current indexation arrangements for basic, special responsibility and dependent carers' allowances.

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:

- a) Agree the recommended adjustments to the Special Responsibility Allowances for the Chair and Shadow Chair of the Climate Emergency Advisory Committee.
- b) Agree the extension of current indexation arrangements, noting this cannot be applied beyond June 2026 without further reconsideration by the Independent Remuneration Panel.
- c) Agree the recommendation that Special Responsibility Allowances continue to be determined as a percentage of that of the Leader of Council.

## **What is this report about?**

- 1 The appended report sets out the conclusions and recommendations of the Independent Remuneration Panel (IRP) following a meeting on 23 May 2022. The Panel specifically considered the following issues:
  - a) The level of Special responsibility Allowance for the Chair of Climate Emergency Committee (CEAC)
  - b) The level of Special Responsibility Allowance for the Shadow Chair of CEAC.
  - c) The continuation of indexation arrangements, which currently permit the annual adjustment of allowances in line with the headline pay increase negotiated through the National Joint Council for Local Government Employees (or equivalent).
  - d) The full scheme of Special responsibility Allowances.

### Determination of Issues for Consideration by the IRP in May 2022

- 2 In 2019, following Leeds City Council's decision to establish a Climate Emergency Advisory Committee (CEAC), the Independent Remuneration Panel recommended the introduction of two new Special Responsibility Allowances for the Chair and Shadow Chair of that committee.
- 3 Given these allowances were attached to a new committee, IRP members recommended they should be reviewed at the next IRP meeting, at which point it was anticipated that the Panel would be able to consider more evidence to inform its conclusions.
- 4 The Panel further recommended that the full scheme of Special Responsibility Allowances should be subject to examination at the same time.
- 5 In line with national regulations, indexation arrangements agreed in 2019 could not run beyond 2023 without formal reconsideration by the IRP. With the Panel coming together in May 2022, it was considered timely to review the Council's indexation arrangements for basic, special responsibility and dependent carers' allowances.

## **What impact will this proposal have?**

- 6 If agreed by Council, the Special Responsibility Allowance allocated to the Chair of CEAC will be adjusted from 40% of that of the Leader of Council to 35%.
- 7 Similarly, the Special Responsibility Allowance allocated to the Shadow Chair of CEAC will be adjusted from 20% of that of the Leader of Council to 15%.
- 8 Current indexation arrangements will continue be applied to the allowance scheme until the arrangements are reconsidered by the IRP no later than June 2026.
- 9 Special Responsibility Allowances will continue to be determined as a percentage of the of the Leader of Council.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 10 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

11 All Group Leaders have been consulted and no objections have been raised in response to the Panel's recommendations.

### **What are the resource implications?**

12 The proposals would reduce the Special Responsibility Allowance of the Chair of the Climate Emergency Advisory Committee from 40% of that of the Leader of Council to 35%, and that of the Shadow Chair from 20% of that of the Leader to 15%.

13 The Panel recommended that the current indexation arrangements should continue to be applied. If agreed by members, this would make provision for basic, special responsibility and dependent carers' allowances to be increased annually in line with the headline pay increase negotiated through the National Joint Council for Local Government Employees (or equivalent). As a result, any future negotiated increase would be applied to these allowances and would need to be managed within internal budgets.

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

14 There are no new risks created through the application of these recommendations.

15 As is the case currently, there will continue to be a degree of uncertainty as to the financial implications of extending indexation arrangements. Due to the way in which pay increases are negotiated for local Government Employees it is not possible to determine the specific impact on budgets of continuing to apply any such increases to the member allowance scheme.

### **What are the legal implications?**

16 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. Where an authority has regard to such an index, regulations also state that it may not run for more than four years before a further recommendation is sought from the IRP.

17 The IRP last considered the Leeds City Council indexation scheme in 2019 and as such the current provision could not run beyond 2023. Consideration of these arrangements in May 2022 therefore meets the requirement of national legislation in this regard.

18 Members should be aware that the proposed extension of the indexation arrangements cannot run beyond June 2026 without further reconsideration by the Panel.

### **Options, timescales and measuring success**

#### **What other options were considered?**

19 The IRP explored a range of issues when they met with a view to ensuring the scheme of Special Responsibility Allowances continues to be robust and reflective of the needs of Leeds City Council. As part of their deliberations panel members sought specifically to use available evidence to ensure consistency as far as is possible across the full scheme of SRAs.

20 Panel members regard the member allowances scheme as a 'live' schedule subject to ongoing review.

### **How will success be measured?**

21 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?**

22 If approved, the recommendations of the IRP will be implemented on behalf of members with immediate effect.

### **Appendices**

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

### **Background papers**

- None