

## REPORT OF THE INDEPENDENT REMUNERATION PANEL

**Date: 11<sup>th</sup> December 2023**

*All Councils are required to establish and maintain an Independent Remuneration Panel (IRP). In line with statutory guidance, the local panel provides independent advice to the Council about its overall remuneration scheme and the amounts payable to elected members.*

*Members of Leeds City Council's Independent Remuneration Panel are Kevin Emsley, Dr Kate Hill, Chris Jelley and Matthew Knight.*

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### Purpose of the Report

1. This report summarises our recommendations, as the Leeds Independent Remuneration Panel, following our meeting on 11<sup>th</sup> December 2023. The recommendations we have made relate to:
  - a) Basic, Special Responsibility and Dependent Carers Allowances.
  - b) Future indexation of Allowances.
2. Last year (November 2022) amongst the recommendations that we made that were approved by the Authority was.
  - That the IRP reconvene 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 the IRP consider a longer-term indexation formula be reviewed by the Panel when they next meet to consider the uplift for 2023/24.
3. These (along with all our other) recommendations were approved at a meeting of the authority (full Council) in January 2023.

### The Panel's Recommendations

4. We have been advised that the National Employers and Trade Unions concluded negotiations and consultation on the **annual pay increase for 2023/24**, with agreement being reached in November 2023 for NJC staff on a **flat rate of £1,925** being applicable across all pay scales/spinal column points, backdated to 1<sup>st</sup> April 2023. Travel, Subsistence and Other Allowances have also been uplifted by in the pay settlement.

5. We were again asked to consider how best to reflect the pay award in respect of Members' Allowances. We were also asked to specifically consider the current payment rates for Dependent Carers and the option of applying an Indexation for all future annual uplifts.
6. We have been advised by Officers that provision has been made in the 2023/24 base budget for an anticipated 4% uplift in Members' Basic and Special Responsibility Allowances.
7. However, we were also advised of the circumstances of the Council's in year budget pressures have been such that intervention measures have been necessary to seek to mitigate anticipated overspends.
8. We were told that these pressures are not isolated to Leeds and are having an impact across the local government sector, the details provided to us gave us valuable context to our considerations.

### **Basic and Special Responsibility Allowance**

#### Annual Uplift

- 11 We considered a range of options when looking at the most appropriate method for uplifting the allowance whilst having regard to the offer from the National Employers and the Council's financial circumstances.
- 12 When we last met in 2022 we were not supportive of applying the fixed value uplift to the Basic and Special Responsibility Allowances; that remains our position.
- 13 We do though understand that Elected Members are not insulated from the present economic circumstances and there is little doubt in our mind that there have been increases in the costs incurred in relation to the duties that Members carry out for their constituents. We have again sought to find a reasonable reference point within the NJC pay scales to provide an anchor to apply an uplift.
- 14 With Officers' assistance we considered two costed options for uplift along with a third option whereby the uplift would be deferred to 1<sup>st</sup> April 2024.
- 15 Having reviewed similar reference points within other authorities our unanimous view was that the percentage increase applicable from 1st April 2023 should be made and again be based on that of a Principal Officer at the top of PO6 in Leeds - that being spinal column point 43 on the NJC scale. This would equate to a 3.88% uplift in Allowances.

16 Given that that rate of Special Responsibility Allowances did not change last year our view is that to do so again for a further year would not be reasonable.

**17 As such our recommendation is that both the Basic and Special Responsibility Allowances should be uplifted by 3.88% with effect from 1<sup>st</sup> April 2023.**

### **Allowances Contained in Schedule 2 of the Members' Allowances Scheme**

18 Schedule 2 of the Members' Allowances Scheme provides rates for Travel (outside of the Leeds area), a Dependent Carers Allowance and Subsistence.

#### Dependent Carers Allowance

19 At the request of the Council, we were invited to specifically review the maximum hourly rate paid under the scheme for Children aged 15 and under and for other dependents.

20 Schedule 2 of Leeds City Council's Members' Allowances Scheme includes a carers allowance to be paid at a maximum hourly rate of:

- £5.40 for care relating to children aged 15 and under.
- An equivalent to the rate paid by the Department of Social Services for other dependents in similar circumstances.

21 The majority of Core Cities and neighbouring local authorities pay a carers allowance to members at a rate equivalent to the hourly national living wage or national minimum wage. Where this is not the case the lowest rate payable outside of Leeds is £9.50 an hour (or actual costs are reimbursed).

22 We note that care costs can be a significant barrier to people seeking elected office and the current provisions in the scheme we feel are not reasonable or fit for purpose. We therefore recommend an amendment to the hourly rate payable as a carers allowance in line with other Core Cities.

23 The payment of any allowance of this nature requires clarity and transparency alongside proper processes to ensure eligibility and provide for financial accountability. To that end we recommend that criteria, as set out in Appendix 1, be adopted within the Allowance Scheme.

**24 We recommend that:**

- **The actual care costs be the basis of payments to Dependent Carers Allowance with the maximum amount payable set at the hourly rate for the Real Living Wage.**
- **Criteria for accessing the allowance, as detailed in appendix 1, should be adopted by the Council and incorporated into the Members' Allowances Scheme.**

### Other Allowances

25 Schedule 2 of the Members' Allowances Scheme contains provisions for Travel and Subsistence. These Allowances are routinely uplifted as part of the NJC pay award/agreement and we concluded that those allowances rates in the Members' Allowances Scheme should rise to mirror those for NJC Officers.

26 We recommend that.

**All other Allowances, contained in Schedule two of the Members' Allowances Scheme (Travel Allowance and Subsistence Allowance) be uplifted as per the NJC pay award and where applicable backdated to 1st April 2023.**

### **Indexation**

27 A scheme of allowances may make provision for an annual adjustment of allowances to be ascertained by reference to an index.

28 Where we recommend that allowance levels should be determined according to an index, we need also to make a recommendation as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from us.

29 Whilst the indexation of the % annual uplift in Members' Allowances (relative to the NJC % Pay Award) has provided a reasonable reference point in previous years the structure of the award this year and last (as a cash sum) has not provided such a clear line of applicability in the last two years.

30 This year we have again considered options to identify the most appropriate and balanced method for applying an uplift in Members' Allowances whilst also having regard, as a guide to our deliberations, to the pay award agreement reached and the objective within that pay award to tailor it to lower paid staff.

31 Our conclusions this year have again alighted on a percentage uplift being based on Spinal Column Point 43 of the NJC Pay scheme. Notwithstanding any future request from the authority, this we feel provides a reasonable and sustainable reference point for this year's uplift and as an indexation metric for future annual uplifts in both Basic and Special Responsibility Allowances.

**32 Our recommendation is that:**

**a) Basic, Special Responsibility and Other Allowances be uplifted on the 1<sup>st</sup> April each year by a percentage equivalent to the pay award of SCP 43 on the NJC pay structure.**

**b) Dependent Carers Allowance be determined by the maximum hourly rate for the Real Living Wage**

**c) That these indexations apply from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2028.**

### **Review of Relative Payments of Specific Responsibility Allowances**

- 33 We note there has been broad stability in the Members' Allowances Scheme in respect to the payments for roles which attract a Special Responsibility Allowance.
- 34 The changing nature of local government, and the significant pressures facing the sector more generally, may, and perhaps inevitably will, present a need for an in-depth benchmarking review of Special Responsibility Allowances paid within the scheme. The Independent Panel will gladly assist in any such review that the Council wishes to be undertaken.

### **Summary of Recommendations**

The recommendations within our report are summarised as follows.

#### **Basic and Special Responsibility Allowances**

Basic and Special Responsibility Allowances should be uplifted by 3.88% and backdated to 1st April 2023.

#### **Dependent Carers Allowance**

The Dependent Carers allowance should be set at the maximum hourly rate for the Real Living Wage.

That criteria for accessing the allowance, as detailed in appendix 1, should be incorporated into the Members' Allowances Scheme.

#### **Other Allowances**

All other Allowances, contained in Schedule two of the Members' Allowances Scheme (Travel Allowance and Subsistence Allowance) be uplifted as per the NJC pay award and where applicable backdated to 1st April 2023.

#### **Indexation**

- i. Basic, Special Responsibility and Other Allowances be uplifted on the 1st April each year by a percentage equivalent to the pay award of SCP 43 on the NJC pay structure.
- ii. Dependent Carers Allowance be determined by the maximum hourly rate for the Real Living Wage.
- iii. That these indexations apply from 1st April 2024 to 31st March 2028.

## **Next Steps**

Members of Council are asked to consider the recommendations we have set out in this report.

**This report has been approved for circulation by.**

Kevin Emsley

Dr Kate Hill

Chris Jelley

Matthew Knight.

**December 2023**

## Appendix 1: Proposed Criteria for Accessing Carers Allowance

Members may claim this allowance against actual care expenses that are incurred in arranging carers to look after dependants who cannot be left by themselves by reason of age or other special needs.

The **maximum rate claimable** shall be set at the level of the Real Living Wage as identified annually by the Living Wage Foundation.

The allowance can only be claimed in respect of approved duties set out below.

This allowance can also be claimed when undertaking approved duties on behalf of the Joint Authorities.

The following criteria shall also apply:

- Payment is claimable in respect of children aged 15 or under or in respect of other dependants where there is medical or social work evidence that care is required.
- The allowance is not payable to any member of the claimant's household.
- The allowance is restricted to one weekly payment.
- The claim shall cover the time spent at the meeting plus up to one hour for travel to and from the meeting.
- The claim needs to be supported by a receipt.
- The allowance is not payable for meetings of a single party group.
- Any dispute as to entitlement should be referred to the Council's Monitoring Officer for adjudication.

## LIST OF APPROVED DUTIES FOR CARER'S ALLOWANCE

The following are the categories of duties which qualify for payment of carer's allowance, where such expenditure has been incurred:

(a) Meetings of the Council, Executive Board, Scrutiny Boards, Community Committees, Statutory Committees, Regulatory Panels, and Advisory and Procedural Committees. This includes meetings held in accordance with the requirements of the Local Government Act 1972, as well as sub-committees or working groups relating to these committees. This applies to a councillor who is a member of a committee or, if not a member, has been invited to attend a meeting to address one or more items of business.

(b) Attendance as the Council's representative at a meeting of any joint authority or of any Committee or Sub-Committee of the body of which the Council is a constituent member.

(c) Attendance as the Council's representative in connection with the discharge of the Council's functions at meetings of outside bodies (excluding local authority-maintained schools), their Committees and Sub-Committees.

(d) Attendance at any other meeting convened by the Council, Executive Board, a committee or Sub-Committee to discuss matters relevant to the discharge of the Council's functions and to which Members of more than one Party Group have been invited.

(e) Attendance at any training session, seminar, presentation, or briefing arranged for all Members of a Committee, Sub-Committee or Panel to discuss matters relevant to the discharge of the Council's functions and to which Members of more than one Party Group have been invited.

- (f) Attendance at site visits arranged by officers or approved by a relevant Committee Chair.
- (g) Attendance by any elected member invited to attend a meeting about matters concerning the discharge of the Council's functions by virtue of their formally designated special responsibility (in accordance with Schedule 1 of the Member Allowances Scheme).
- (h) Attendance by Members of the Executive Board, Chairs of Committees and Sub-Committees or Opposition Group Office Holders concerning the discharge of functions relevant to the work of their portfolio of their committees or sub-committees.
- (i) Attendance before Parliamentary Committees, official bodies and inquiries to give evidence or make representations on the Council's behalf.