

LEEDS CITY COUNCIL

Report of Panel on Members' Allowances

June 2012

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 Panel now consists of Sir Rodney Brooke CBE DL (Chair), Dave Fortune, Matthew Knight and Carolyn Lord.
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 has made further recommendations which again have been accepted, in some cases with modifications.
3. In the current financial crisis, the Council has applied financial discipline to the members' allowances scheme. Since 2010 there has been no increase in members' allowances. Indeed during the Municipal Year 2011/12, Members approved a proposal to take a 3% reduction on all Special Responsibility Allowances over the value of £7k pa. The Council intends this reduction to continue for the year 2012/13.
4. The reduction in members' allowances takes place at a time when the burden on councillors is increasing. The Localism Act 2011 will prompt the need for greater engagement with their communities, as will the transfer of responsibility for public health to the Council. New means of communication increase the pressures on members: constituents expect an instant response. The scale of welfare reform will pose a significant challenge to councillors as they grapple with the problems of their constituents. We hope that these demands will be recognised when the nation has emerged from the current financial crisis.
5. There are a number of changes to the political structure of the Council as a result of which it now seeks the advice of the Independent Remuneration Panel (IRP), viz
 - Membership of the Police and Crime Panel whose Members will be drawn from the five West Yorkshire local authorities

- An additional Deputy Executive Member to support the new Health and Well Being portfolio
- An additional Deputy Executive Member with responsibility for Financial Inclusion
- Recognition of the additional workload being faced by members of the Licensing Panel in the 2012/13 year
- Establishment of a Standards and Conduct Committee and the appointment of an independent person.

MEMBERSHIP OF THE NEW POLICE AND CRIME PANEL

6. A new Police and Crime Panel (PCP) has been created by the Police Reform and Social Responsibility Bill, which received Royal Assent on September 15th 2011.

The main provisions of the Act are:

- the replacement of Police Authorities by directly elected Police and Crime Commissioners (PCCs)
- the introduction of PCPs to scrutinise the PCCs' decisions and actions and assist them in carrying out their functions
- the reallocation of funding from Community Safety Partnerships (CSPs) to the PCC.

Formally established in May 2012, the West Yorkshire Police and Crime Panel will be a completely new body and will operate as a joint committee with members from the five West Yorkshire local authorities. Wakefield City Council will be the lead authority and Leeds City Council will have three positions on the PCP.

7. The role of the PCC will be to:

- secure an efficient and effective police force for its area
- appoint the Chief Constable and hold him or her to account
- produce a five year Police and Crime Plan
- set the annual force budget and police precept
- produce an annual report setting out progress against the Police and Crime Plan
- allocate crime and disorder reduction grants to any organisation or person in their force area
- decide how much funding is spent on policing and how much funding is spent on community safety services (if any.)

8. The PCP members will be responsible for scrutinising the PCC's decisions and actions and assisting him or her in carrying out his or her functions. They have the power to:
 - require the commissioner, a member of his or her staff or the chief constable to attend the panel;
 - veto the commissioner's proposed precept if 2/3 of the PCP agree to do so;
 - veto the commissioner's proposed appointment of a Chief Constable if 2/3 of the PCP agree to do so;
 - review the PCC's draft police and crime plan;
 - review the commissioner's annual report;
 - hold confirmation hearings for the PCC's proposed chief executive, chief finance officer and deputy PCC; and
 - deal with any complaints made about the PCC.
9. The work of the PCC, and thus the PCP, is likely to have an extremely high profile as the PCCs will be accountable for the operation of the police force within their areas. As the PCP is legally bound to deal with any non-criminal complaints about the PCC, this also means the PCP will attract a significant degree of public interest. The meetings of the PCP are in public and as the PCC is legally obliged to attend all PCP meetings, if invited, this means media coverage of PCP meetings is extremely likely.
10. To date, there are seven meetings of the PCP scheduled between June 2012 and April 2013 (four shadow and three formal) as well as three separate training sessions. All meetings will last for three hours and additional meetings may have to be scheduled, eg. to finalise the precept. It is anticipated there will be one sub-committee which focuses on complaints against the PCC but further sub-committees may have to be set up when the workload of the PCP is clearer.
11. The workload of PCP members is likely to be equivalent to that of a scrutiny chair. The average payment for this role across the five authorities is £11,716. We have been advised by the Lead Authority that Leaders have agreed that paying all PCP members the same allowance is the preferred approach in the interests of fairness. Leaders have also agreed that allowances for PCP members will not commence until November 2012 as the PCP does not have any legal responsibilities until the PCC has been elected on November 22nd.
12. We believe that this proposal is eminently sensible and accordingly **recommend that the three Leeds City Council members of the West Yorkshire Police and Crime Panel receive a special responsibility allowance of £11,716.**

DEPUTY EXECUTIVE MEMBERS

13. In its report of June 2011, the Panel approved the creation of two roles of Deputy Executive Member with a recommended Special Responsibility Allowance of £11,386.98 pa.
14. At the Council's Annual Meeting in May 2012, Council approved the addition of a new portfolio to deal with responsibilities for health and wellbeing. This is a major new function for the Council. The proposed Executive Member for Health and Wellbeing will have political oversight of the following principal areas of Council activity:

- Health services across the city
- Public health functions
- Health and wellbeing board
- Health services as they relate to adults
- Health services as they relate to children

In addition, the Executive Member will also act in a Cross-Cutting Champion role in the delivery of a healthy city for everyone who lives, visits or works here and will represent the Council on key inter-sector and inter-authority partnerships.

15. The Administration believes that the number of partnership bodies involved and the extent and cross-cutting nature of this new portfolio, are such that an additional Deputy Executive Member will be required in order to deputise for and assist the Executive Member in relation to the functions identified. We agree and **recommend that a Special Responsibility Allowance of £11,386.98 be made in respect of an additional post of Deputy Executive Member for Health and Wellbeing.**
16. The current scale of welfare reform poses a significant challenge to the Council, both in terms of managing the additional financial risk at a time of substantial budget cuts and in ensuring that those affected by the changes are suitably prepared and supported. The Council therefore proposes to establish a time limited post of Deputy Executive Member with responsibility for financial inclusion, working directly to the Leader and Executive Board members. The Deputy Executive Member will be responsible for
 - developing and implementing communication strategies to ensure that those facing a reduction in financial support are prepared and aware of advice available;
 - working with officers in all departments to ensure wider City Council priorities (such as strengthening families) are not undermined as a consequence of implementing national policy;

- working in a cross-cutting capacity to ensure a cohesive Council response to the changes;
- co-ordinating efforts to identify ways in which Council resources can be maximised in order to deliver targeted support to priority groups within limited budgets;
- identifying ways of working with communities to prevent destabilisation or fragmentation; and
- liaising with colleagues and partner organisations to ensure that those financially or socially at risk are identified and supported.

17. **We recommend that a special responsibility allowance of £11,386.98 be paid to a further Deputy Executive Member for Financial Inclusion and that the payment be reviewed in twelve months' time.**

ADVISORY MEMBERS OF THE EXECUTIVE BOARD

18. In previous reports circumstances prompted the Panel to recommend provision in the Members' Allowances Scheme for the payment of special responsibility allowances to two Advisory Members of the Executive Board. These positions have not been filled and the Panel now **recommends that the payment of special responsibility allowances to two Advisory Members of the Executive Board be deleted from the Members' Allowances Scheme.**

ADDITIONAL WORKLOAD FOR LICENSING COMMITTEES IN 2012/13

19. During the municipal year 2012/13 the Licensing Committee will undertake a number of functions related to but over and above its normal business. By the Licensing Act 2003 the maximum number of members of the Committee is 15. The full licensing committee meets twelve times per year. The majority of business is conducted by Licensing Sub-Committees. Licensing Sub-Committees are created by the Committee from amongst its membership to deal with hearings required under the Licensing Act 2003, the Gambling Act 2005 and other miscellaneous hearings in relation to sex establishments and taxi licensing.
20. The bulk of the work carried out by sub-committees relates to hearings under the Licensing Act 2003. Five sub-committees have been created, each consisting of three members as required under the legislation. These sub-committees sit on a Monday morning on a rota basis. Members of the Licensing Committee therefore have a minimum commitment to attend twelve meetings of the full Committee and one sub-committee every five weeks on a Monday morning. The Monday morning sub-committees have an agenda ranging between one and four applications and frequently last two to three hours. In addition to this, reviews of licences can be requested, usually by West

Yorkshire Police, West Yorkshire Trading Standards or Environmental Health, but occasionally by members of the public. These reviews require a single item agenda sub-committee. These can sometimes be accommodated on the Monday rota, but often require a sub-committee to be convened for an additional hearing.

21. During the municipal year 2012/13 there are two additional matters which will be dealt with by the Sub-Committees and which will considerably impact on the workload of members of the licensing committee. The first is the re-licensing of lap-dancing venues (sexual entertainment venues or SEVs), where the Council has adopted the revised provisions of Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982 requiring venues that provide sexual entertainment to apply for a licence under that Act rather than under the 2003 Act as was previously the case. These amended provisions were brought in to give local authorities greater control over the numbers and locations of such venues than was possible under the 2003 Act. As a result of the adoption of those provisions all existing venues have to apply to be re-licensed. The legislation requires that all of the applications be heard together and that decisions be made at the same time. Arrangements have been made for this re-licensing hearing to take place between 11 and 15 June 2012. The matter will be considered by a sub-committee and therefore it is essential that the same three sub-committee members hear all the applications and must set aside a week of time to do so. The members undertaking this duty will also require additional training and this is scheduled to take place for the equivalent of two full days.
22. The second additional matter falling within the municipal year 2012-13 is the licensing process for the large casino for Leeds. To deal with this, a sub-committee is scheduled to hear applications between 16 and 23 July 2012. There are five applications to be heard. The Sub-Committee (consisting of three members) which deals with the casino must hear all the applications and give its decisions during that period and so the members on the Sub-Committee must commit to a full week of hearings. The same training arrangements are in place requiring a further two days commitment to undergoing training before completing the process. The procedure rules require the Sub-Committees to have a quorum of three and therefore two substitute members have been appointed for each of the special sub-committees – so that five members must set aside time for the hearings and training on each occasion.
23. Throughout this period the Licensing Sub-Committees will continue to deal with their ordinary business. Therefore the remaining five members of the Sub-Committee, who are not on either the SEV or the large casino Sub-Committees (members or substitutes), will need to keep the ordinary business of the Committee and Sub-Committee running.

24. In May 2005, a similar issue arose. We then recommended that a 'flat rate' payment could be made to Licensing Committee members to reflect the increased attendance that was required in order to deal with the additional workload. The calculation was based on accumulations of five days additional attendance and the amount was the equivalent of the statutory co-optees' allowance (£513 in 2005). That recommendation was solely to reflect the increased workload and was therefore confined to the Municipal Year 2005/06.
25. We believe that this is an appropriate precedent. The 2012 equivalent flat rate, based on the allowance for statutory co-optees, is £578.12. We therefore **recommend that a special responsibility allowance of £578.12 be paid to each Member allocated to the SEV Sub-Committee and to the large casino Sub-Committee.**

ESTABLISHMENT OF A STANDARDS AND CONDUCT COMMITTEE

26. The Localism Act 2011 requires a relevant authority to promote and maintain high standards of conduct by members and co-opted members of the authority. As part of this duty a relevant authority must adopt a code of conduct dealing with the conduct that is expected of members and co-opted members of the authority when they are acting in that capacity.

The code of conduct must set out the authority's requirements for the registration and disclosure of pecuniary and non-pecuniary interests.

27. Where a complaint is made that Members have:
- failed to notify the Monitoring Officer of a disclosable pecuniary interest within 28 days;
 - taken part in the discussion or vote on a matter in which they have a disclosable pecuniary interest, or failed to disclose such an interest to a meeting which is not included on the register; or
 - knowingly or recklessly provided false or misleading information in relation to their pecuniary interests,

the handling of the complaint will be the responsibility of the Police. For other complaints the Council must put in place arrangements under which written allegations that a member has not complied with the authority's code of conduct, can be considered, and decisions taken. This includes allegations against parish councillors in their area.

28. DCLG have advised that the standards and conduct arrangements will commence on the 1st July 2012. Officers are currently working to a timetable linked to approval of the new arrangements at the Annual Council meeting, and for those arrangements to be effective from the 1st July 2012. As part of these new

conduct arrangements the Council has established a Standards and Conduct Committee. It will have two main, and distinct, roles and responsibilities:

- responsibility for functions conducive to fulfilling the authority's duty to promote and maintain high standards of conduct amongst its members and co-opted members; and
- responsibility for functions in relation to receiving and considering written allegations of misconduct against City and Parish Councillors, and making recommendations for appropriate action to full Council, Group Whips, or the Leader.

29. The committee has powers to enable a finding of whether or not there has been a failure to comply with the Members' Code of Conduct and to make recommendations to others in respect of the complaint. A list of sanctions, derived from advice provided to the Association of Council Secretaries and Solicitors by Mr Clive Sheldon QC is as follows:

- a formal letter to the Councillor found to have breached the Code from the Chair of the Standards and Conduct Committee;
- formal censure by a motion of the full Council; and
- removal by the authority of the Member from Committee(s) subject to statutory and constitutional requirements.

30. The role of Chair is likely to involve formal activities and informal work outside the formal committee meeting setting – specifically to help embed the new standards and conduct framework. We believe that this role will be equivalent to that undertaken by the Chair of the former Standards Committee and the Corporate Governance and Audit Committee and that it would be appropriate to reward it similarly. We therefore **recommend that the Chair of the Standards and Conduct Committee receive a Special Responsibility Allowance of £7,190.80.**

Independent Person

31. Under the Localism Act 2012 the authority is required to appoint at least one Independent Person. This role is very different to the previous role of Independent Members (whose services attracted a co-optees' allowance of £2,397.21) of the Standards Committee, but is potentially no less demanding.

32. The role of the Independent Person is fundamentally advisory: giving an informal view to a member the subject of a complaint and, where needed, providing a formal view to the Standards and Conduct Committee prior to its reaching a finding as to whether a Member has failed to comply with the Council's Members' Code of Conduct.

33. Appointment to this role requires approval by the full Council. It is obviously sensible to make such an appointment on a standing basis, at least for the first year so that an assessment can be made of the possible workload. We **recommend that a retainer of £2,500 be paid to the Independent Person and that the matter be reviewed in 12 months time.**

ANNUAL UPDATING OF ALLOWANCES

34. 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 (or equivalent); for the annual updating of dependants' (other than children) carers' allowance in line with the rate paid by the Department of Adult Social Care; and for the annual updating of travel and subsistence allowances in accordance with the rates claimable by officers. The indexation is currently recommended to continue until June 2013 or until an earlier review by the IRP.
35. We **recommend that the current indexation scheme continue for four years from the date of this report**, the maximum period permissible allowed by Regulation 10(5) of the Local Authority (Members' Allowances) (England) Regulations 2003.

RECOMMENDATIONS

- (a) **the members of the West Yorkshire Police and Crime Panel should receive a special responsibility allowance of £11,716;**
- (b) **a special responsibility allowance of £11,386.98 should be paid to a Deputy Executive Member for Health and Wellbeing;**
- (c) **a special responsibility allowance of £11,386.98 should be paid to a further Deputy Executive Member for Financial Inclusion and that the payment be reviewed in twelve months time;**
- (d) **the payment of special responsibility allowances to two Advisory Members of the Executive Board should be deleted from the Members' Allowances Scheme;**
- (e) **a special responsibility allowance of £578.12 should be paid to each Member allocated to the Sexual Entertainments Venues Sub-Committee and to the large casino Sub-Committee;**

- (f) the Chair of the Standards and Conduct Committee should receive a Special Responsibility Allowance of £7,190.80;**
- (g) a retainer payment of £2,500 should be paid to the Independent Person and that the matter be reviewed in 12 months time; and**
- (h) the current indexation scheme should continue for four years from the date of this report.**

Rodney Brooke (Chair)
Dave Fortune
Matthew Knight
Carolyn Lord

15 June 2012