

REPORT OF THE INDEPENDENT REMUNERATION PANEL

Date: 23 May 2022

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.

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

Purpose of the Report

1. This report summarises our recommendations, as the Leeds Independent remuneration Panel, following a meeting on 23 May 2022.
2. In 2019 we recommended that, as a panel, we should give further consideration to several matters relating to Special Responsibility Allowances when we next convened. Those matters were:
 - The Special Responsibility Allowance for the Chair of the Climate Emergency Advisory Committee (CEAC).
 - The Special Responsibility Allowance for the Shadow Chair of CEAC.
 - The full scheme of Special Responsibility Allowances.
3. We originally anticipated that there would be opportunity for us to meet in 2020, enabling the new SRAs linked to CEAC to be reviewed after approximately 12 months. However, this was delayed due to the disruption caused by the Covid-19 pandemic.
4. In 2019 we also recommended that member allowances in Leeds should be adjusted annually in line with the headline pay increase negotiated through the National Joint Council for Local Government Employees (or equivalent).

5. National legislation allows indexation arrangements for member allowances to remain in place for a maximum of four years. As such the indexation arrangements agreed in 2019 could not run beyond 2023 without formal reconsideration. We therefore took the opportunity to review this arrangement when we came together in May.

Summary of Recommendations (May 2022)

A	The Special Responsibility Allowance for the Chair of the Climate Emergency Advisory Committee should be 35% of that of the Leader of Council.
B	The Special Responsibility Allowance for the Shadow Chair of the Climate Emergency Advisory Committee should be 15% of that of the Leader of Council.
C	We received broad assurance that the overall approach to Special Responsibility Allowances is proportionate and recommend that SRAs continue to be determined as a percentage of the allowance of the Leader of Council.
D	Basic, special responsibility and dependent carers' allowances should continue to be increased each October in line with the headline pay increase negotiated through the National Joint Council for Local Government Employees (or equivalent) to June 2026. This indexation arrangement cannot be applied beyond June 2026 without further formal reconsideration by the Panel.

Basis for the Panel's Recommendations

Special Responsibility Allowances for the Chair and Shadow Chair of the Climate Emergency Advisory Committee

6. Following Leeds City Council's decision to establish a Climate Emergency Advisory Committee (CEAC), we recommended the introduction of two new Special Responsibility Allowances:
 - Chair of the Climate Change Advisory Committee, which was introduced at a level equivalent to 40% of the Leader's SRA.
 - Shadow Chair of the Climate Change Advisory Committee, which was introduced at a level equivalent to 20% of the Leader's SRA.
7. As these allowances were linked to responsibility for presiding over a newly established committee, there was limited evidence available to guide our assessment. We therefore recommended that those SRAs should be subject to future review.
8. In now re-evaluating these SRAs we have considered the priority the Council has given to tackling climate change and increasing the resilience of the city to the consequences of climate change. In our discussion we noted that this is reflected in the Council's declaration of a Climate Emergency and the incorporation of climate change as a "pillar" underpinning the recently adopted Best City Ambition.
9. We have seen evidence of the cross-party work of the Climate Emergency Advisory Committee and recognise it has performed a constructive advisory function since its establishment, albeit without having statutory scrutiny responsibilities or delegated decision-making functions.
10. We also considered the most recent annual report to Council from CEAC, which sets out a wide breadth of activities, along with examples of engagement with citizens and partners. Given the significance and complexity of the climate change agenda, we all recognised the value of having a committee solely dedicated to developing evidence-based recommendations to influence policy development in this area. We also noted the potential for CEAC to achieve an even greater impact as the Council returns to its full post pandemic agenda

11. The challenge of the Covid-19 pandemic has inevitably meant that the last three years have not been typical in terms of how the Council has conducted its business. Nevertheless, we concluded that the evidence of CEAC's work during that time has provided a much more accurate basis for assessment of the associated SRAs than was possible in 2019.
12. With more information available to inform our work, we were mindful of ensuring that the SRA for the Chair of CEAC is consistent and proportionate when compared to the SRAs allocated to Chairs of other regulatory and/or advisory committees.
13. We therefore compared the role and responsibilities of CEAC Chair to those of the Chairs of Scrutiny Boards, Plans Panels, Corporate Governance and Audit, Licensing and Community Committees.
14. There is no other 'Shadow Chair' within the scheme of SRAs with which we could make such a direct comparison. However, in the case of the Shadow Chair of CEAC we sought consistency and proportionality in relation to other roles specifically allocated to members of the political opposition. We also considered how the Shadow Chair compared to different roles within the wider scheme of SRAs, including those providing direct support to the Executive and others with decision-making functions.
15. We concluded that adjustments should be made to the SRAs for both the role of CEAC Chair and that of Shadow CEAC Chair.
 - a. The role of CEAC Chair should be set at 35% of the Leader's SRA, rather than 40%.
 - b. The role of Shadow Chair should be set at 15% of the Leader's SRA, rather than 20%.
16. We wish to be unambiguous in stating that the purpose of these changes is to ensure consistency within the broader scheme of member remuneration. As a panel, we were unanimously of the opinion that the recommendations in no way reflect a diminished view of the importance of the climate change agenda for the Council.

Overall Scheme of Special Responsibility Allowances

17. In line with our 2019 recommendations, the schedule of Special Responsibility Allowances has been reviewed in its entirety.
18. We highlighted the importance of this being a 'live' schedule subject to ongoing review. We anticipate that further amendments will be made at appropriate intervals to reflect changes in working practices, evolving legislative guidance and/or changes to organisational structure.
19. Having reviewed the scheme we are broadly assured that:
 - All Special Responsibility Allowances fall within the categories outlined in the statutory guidance and are related to the discharge of the Authority's functions.
 - All roles attracting a special responsibility allowance involve additional responsibility and time commitments above and beyond those of most members.
 - In line with statutory requirements the authority makes provision for the payment of a special responsibility allowance to members of both the Administration and opposition parties.
 - Special Responsibility Allowances are determined as a proportion of the Leader's Special Responsibility Allowance to promote consistency and fairness.

Indexation Arrangements

20. 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.
21. The current 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).
22. Where an authority has regard to such an index, national regulations state that it may not run for more than four years before a further recommendation is sought from the relevant Independent Remuneration Panel.

23. We last considered this matter in 2019 and as such the current provision cannot run beyond 2023. We have therefore taken the opportunity to review this provision.
24. We concluded that the annual indexation provision continues to meet the needs of the council and to facilitate good administration of the scheme. However, in the context of the national economic situation, we did note some concern about the impact on the Council budget should remuneration levels be recommended at above inflation levels. This is of course a matter for the Council and any impact will need to be managed internally.
25. We 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 until June 2026.
26. In accordance with legislation, we ask the Council to note that this indexation arrangement cannot be applied beyond June 2026 without further reconsideration by the Independent Remuneration Panel.

Next Steps

27. 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.