

**REPORT OF THE
INDEPENDENT
REMUNERATION PANEL ON
MEMBERS' ALLOWANCES**

MARCH 2024

Introduction

1. This report sets out the recommendations of the Independent Remuneration Panel appointed by Leicestershire County Council to review its current Members' Allowances Scheme. The Panel was constituted under the Local Authorities (Members' Allowances) (England) Regulations 2003.
2. The Regulations require all local authorities to set up and maintain an advisory Independent Remuneration Panel to review and provide advice about the allowances paid to Members. All Councils are required to seek the advice of the Panel before making changes to their allowances scheme and must 'pay regard' to the Panel's recommendations.

Membership of the Panel

3. Leicestershire County Council's Independent Remuneration Panel comprises the following:-
 - Michael Pearson – (Chairman) – Former Bursar and Finance Director of Loughborough University.
 - Jayne Kelly – Former Solicitor working with various local authorities.
 - Gordon Grimes – Former HM Revenue and Customs Area Manager.

Support to the Panel

4. The Panel was supported by the Head of Member Services and the Head of Democratic Services who provided advice and background information to support the Panel's deliberations.

Scope of the Review

5. The Panel last met in March 2023 when it recommended that Basic and Special Responsibility Allowances increase by 3.88% for the period 1st April 2023 to 31st March 2024 i.e. one year only.

6. The Panel was therefore re-convened to:-
 - i) Review the annual increase to Basic and Special Responsibility Allowances for the financial year 2024/25 and beyond.
 - ii) Review the Travel and Subsistence Rates.
 - iii) Review Member Annual Reports.

Recommendations of the Panel

A. Review of Annual Increase to Basic and Special Responsibility Allowances

7. The Panel met to review the indexation of Basic and Special Responsibility Allowances in accordance with Part 3 – of the Regulations, 10 (4 and 5), which are set out below.
 - A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended.
 - Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.
8. The Panel in 2023 agreed, as stated in paragraph 5, to recommend an increase of 3.88 % to the Basic and Special Responsibility Allowances for one year only i.e. the financial year 2024/25. That increase was linked to the Local Government Employers offer for those pay points above the top of the national pay spine but graded below deputy chief officer. For the County Council this is Grades 14 to 17.

9. In considering future indexation the Panel was conscious of the County Councils' financial position and was therefore concerned about affordability. However, the Panel recognised that it had to be fair to Members as well as the taxpayers of Leicestershire when making its recommendation and concluded that the Basic and Special Responsibility Allowances should indeed be increased from 1st April 2024.
10. The Panel considered a number of options including linkage to the Employee Pay Award, Consumer Price Index and Average Earnings Indicator. The Panel felt that the most appropriate indexation mechanism to be the Employee Pay Award.
11. In deciding to link the increase to the Employee Pay Award the Panel noted that the employers had not made an offer in relation to the 2024/25. However, they were aware that the previous two pay awards i.e. 2022/23 and 2023/24 had included a fixed amount element.
12. The Panel observed that the Association of Local Authority Chief Executives and Senior Managers had recently submitted their pay claim by linking to the percentage increase for the top point of the national pay spine. Unison, GMB and Unite unions, who negotiate on behalf of the majority of local government employees, had also submitted a claim which was for £3,000 or 10% whichever is higher.
13. The Panel was therefore mindful that the 2024/25 offer may include a fixed element again and concluded that it wished to recommend that the indexation of the Basic and Special Responsibility Allowances be linked to the equivalent percentage increase awarded to those on the County Council's Grade 15 and in particular spinal column point 43.
14. The Panel was also minded to recommend that the Basic and Special Responsibility Allowances continue to be index linked to the equivalent percentage increase awarded to SCP 43, Grade 15, up to 31st March 2028.
15. The Panel concluded by recommending that any increase be implemented as soon as practicable after the employee pay award had been agreed and that it be back dated to 1st April of that year.

The Panel recommends to Council that:-

Basic and Special Responsibility Allowances be increased by the equivalent percentage increase awarded to Spinal Column Point 43 of Grade 15, for the period 1st April 2024 to 31st March 2025. The increase be implemented as soon as practicable after the employee pay award is agreed and be back dated to 1st April.

That the arrangement for indexation of Basic and Special Responsibility Allowances continue until 31st March 2028 based upon the equivalent percentage increase on SCP 43, Grade 15, of the County Council's pay spine. The increase will be implemented when the employee pay award is agreed for each year and backdated to 1st April of that year.

B. Travel and Subsistence

16. The Panel reviewed the Travel and Subsistence allowances and concluded no changes to the scheme were necessary.
17. The Panel noted that for the financial year 2022/23 that the amount of mileage that had been claimed was minimal and that Members were not submitting claims in relation to subsistence.

The Panel recommends to Council that:-

The current levels of Travel and Subsistence allowances remain unchanged.

C. Member Annual Reports and Accountability

18. In 2017 when making its report to the County Council, the Panel, as it had in previous reports, recommended that Members should provide a public account of their work during the municipal year by way of an Annual Report. In addition, the Panel also recommended that Group Leaders and Whips be responsible for ensuring that all Members of their Groups complete and submit an Annual Report. The County Council endorsed this recommendation at its Full County Council meeting in December 2017.

19. In June 2023 the Head of Member Services wrote to all Members, asking them to submit their Annual Report for the municipal year 2022/23.
20. At the same time as Members were asked to submit their Annual Report, the Head of Member Services also wrote to Group Leaders and Group Whips to remind them of the Council's recommendation that it was their responsibility to ensure that all Members of their Group completed a report.
21. A total of fifty-one Members produced an annual report all of which have been published on the County Council's website and can be accessed via the following:-

from the Member's individual page see link <http://politics.leics.gov.uk/mgMemberIndex.aspx?bcr=1> and/or

a dedicated page for Member Reports see link <http://politics.leics.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13200>
22. The Panel was very pleased with the number of annual reports returned and recognised the hard work of Members in producing a report. The Panel, therefore, wished to put on record its gratitude and thanks to all those Members who took the time to write and submit a report.
23. The Panel noted that the calibre and quality of reports had once again improved and they were providing, in their view, constituents with a greater understanding of the work of Members and the County Council. The Panel was particularly and equally impressed with those Members who included photographs in their reports using either the County Council provided template or their own template
24. However, the Panel observed that there were a small number of reports which contained very little content which, in the Panel's view, probably did not provide a fair reflection of the Member's activity during the year.

Recommendations

The Panel recommends to Council that:-

Those Members who submitted an Annual Report be thanked for doing so.

That the submission of Annual Reports continues for the next four years.

That those Members who did not submit a report in 2022/23 submit one for the municipal year 2023/24

Summary of Recommendations

The Panel recommends to Council that:-

- i. Basic and Special Responsibility Allowances be increased by the equivalent percentage increase awarded to Spinal Column Point 43 of Grade 15, for the period 1st April 2024 to 31st March 2025. The increase be implemented as soon as practicable after the employee pay award is agreed and be back dated to 1st April.**
- ii. That the arrangement for indexation of Basic and Special Responsibility Allowances continue until 31st March 2028 based upon the equivalent percentage increase on SCP 43, Grade 15, of the County Council's pay spine. The increase will be implemented when the employee pay award is agreed for each year and backdated to 1st April of that year.**
- iii. The current levels of Travel and Subsistence allowances remain unchanged.**
- iv. Those Members who submitted an Annual Report be thanked for doing so.**
- v. That the submission of Annual Reports continues for the next four years.**

- vi. That those Members who did not submit a report in 2022/23 submit one for the municipal year 2023/24**