



Meeting: **Constitution Committee**

Date/Time: **Monday, 15 May 2023 at 10.00 am**

Location: **Gartree Committee Room, County Hall, Glenfield**

Contact: **Ms. J. Twomey (Tel: 0116 305 2583)**

Email: **Joanne.Twomey@leics.gov.uk**

Membership

Mr. N. J. Rushton CC (Chairman)

Mr. P. Bedford CC Mr J. Poland CC
Mr. L. Breckon JP CC Mr. R. J. Shepherd CC
Mr. M. T. Mullaney CC Mrs D. Taylor CC

AGENDA

<u>Item</u>	<u>Report by</u>	
1. Minutes of the meeting held on 21 March 2023.		(Pages 3 - 6)
2. Question Time.		
3. Questions asked under Standing Order 7(3) and 7(5).		
4. To advise of any other items which the Chairman has decided to take as urgent.		
5. Declarations of interest.		
6. Report of the Independent Remuneration Panel on Members' Allowances.	Chief Executive	(Pages 7 - 16)
7. Exclusion of the press and public.		

The public are likely to be excluded during the following item of business in accordance with section 100(A) of the Local



Government Act 1972:-

- Appointment of Independent Members of Corporate Governance Committee.

8. Appointment of Independent Members of Corporate Governance Committee. Chief Executive (Pages 17 - 38)
9. Any other items which the Chairman has decided to take as urgent.



Minutes of a meeting of the Constitution Committee held at County Hall, Glenfield on Tuesday, 21 March 2023.

PRESENT

Mrs D. Taylor CC (in the Chair)

Mr. P. Bedford CC
Mr. L. Breckon JP CC
Mr. M. T. Mullaney CC

Mr. O. O'Shea JP CC
Mrs B. Seaton CC
Mr. R. J. Shepherd CC

10. Minutes of the previous meeting.

The minutes of the meeting held on 25 November 2022 were taken as read, confirmed and signed.

11. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

12. Questions from members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

13. Urgent items.

There were no urgent items for consideration.

14. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mrs. B. Seaton CC declared a Non-Registrable Interest in agenda item 6: Statement of Accounts, Annual Governance Statement and Pension Fund Accounts 2021/22, as she was in receipt of a pension from Leicestershire County Council. This item did not directly relate to or affect the financial or other wellbeing of Mrs. Seaton to an extent that this prevented Mrs. Seaton from participating in the meeting.

Mrs. D. Taylor CC declared a Non-Registrable Interest in agenda item 6: Statement of Accounts, Annual Governance Statement and Pension Fund Accounts 2021/22 as a close relative was in receipt of a pension from Leicestershire County Council. This item did not directly relate to or affect the financial or other wellbeing of Mrs. Taylor to an extent that this prevented Mrs. Taylor from participating in the meeting.

15. Statement of Accounts, Annual Governance Statement and Pension Fund Accounts 2021/22.

The Committee considered a report of the Director of Corporate Resources which presented the 2021/22 financial statements for approval and reported the key findings from the external audit of the accounts. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

In presenting the report the Director of Corporate Resources explained that the audit of the accounts was almost complete, but there was one outstanding issue relating to asset valuations. This was not expected to be a material issue and the auditor had indicated that they expected that once this was resolved they would be issuing an unqualified opinion on the accounts. The information the auditor had requested in relation to the asset valuations had now been sent to the auditor.

RESOLVED:

- (a) That the Committee notes that the audit of the accounts is almost complete and is subject to the auditors being satisfied with one asset valuation, and that this is not a material issue;
- (b) That the financial statements for 2021/22 be approved subject to the audit of the accounts being complete and there being no material changes to the financial statements, and should any material changes be required then officers be requested to provide a further report to the Committee.

16. Appointment of Independent Members to the Corporate Governance Committee

The Committee considered a report of the Chief Executive which sought approval for the proposed timetable for the appointment of independent members to the Corporate Governance Committee. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

RESOLVED:

That the proposed timetable for the appointment of independent members to the Corporate Governance Committee be approved.

17. Exclusion of the press and public.

RESOLVED:

That under Section 100A of the Local Government Act 1972, the public be excluded for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information –

- Charitable Trust Future Arrangements.

18. Charitable Trust Future Arrangements.

The Committee considered an exempt report of the Director of Law and Governance which updated the Committee (sitting as Trustee) on the progress in the transition of the Educational Trusts of which the County Council was the sole corporate Trustee. A copy of the report, marked 'Agenda Item 10', is filed with these minutes. The report was not for publication by virtue of Paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972.

RESOLVED:

- (a) That the Committee notes the progress in relation to the LRCF Leicestershire Educational Trust Fund transfer and the position in relation to the tranche 2 closure and transfers, and that it be agreed that the tranche 2 transfers can be made without conditions, save for use for the benefit of students.
- (b) That the position in relation to the Kibworth Beauchamp High School Foundation be noted, and officers be requested to establish an officer panel comprising Director of Law and Governance, Assistant Director Corporate Resources (Finance) and Head of Internal Audit (or their nominees) to further explore the transfer of the trust to the Kibworth Beauchamp Parish Council and to report back to the Committee.

11.30 - 11.48 am
21 March 2023

CHAIRMAN

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CONSTITUTION COMMITTEE – 15 MAY 2023

REPORT OF THE CHIEF EXECUTIVE

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES

Purpose

1. The purpose of this report is to present the report of the Independent Remuneration Panel on Members' Allowances and invite the Committee to make recommendations to the County Council on proposals for a new scheme of allowances in the light of the contents of that report.

Background

2. The statutory framework for members' allowances includes the following requirements:-
 - Each local authority is required to establish and maintain an Independent Remuneration Panel with the function of providing the local authority with advice on its scheme and the amounts to be paid. Local authorities must have regard to this advice.
 - Local authorities must, before the beginning of each year, make a scheme for the payment of a basic allowance for the year. The basic allowance must be payable to all members.
 - The scheme may include provision for the payment of special responsibility allowances, travel and subsistence allowances, a dependants' carers' allowance, and co-optees' allowance.
 - The approval of a members' allowances scheme has to be determined by the full Council and cannot be delegated to the Cabinet or a committee.
 - A scheme for members' allowances may be amended at any time but may only be revoked at the end of the year, i.e. 31 March. A further scheme must be available to replace the revoked scheme.

3. The Independent Remuneration Panel has recently met and its recommendations are set out in the report which is attached as an Appendix.

Resources Implications

4. The Director of Corporate Resources has been consulted on this report.

Equality Implications/Other Impact Assessments

5. The Scheme incorporates a Carers and Dependants Carers' Allowance.

Human Rights Implications

6. None

Recommendation

7. The Committee is asked to determine what recommendations it wishes to put forward to the County Council in response to the Report of the Independent Remuneration Panel on Members' Allowances.

Background Papers

Leicestershire County Council Constitution – Part 6 – Members' Allowances Scheme

<https://politics.leics.gov.uk/documents/s172950/Part6%20Members%20Allowance%20Scheme.pdf>

Circulation Under Local Issues Alert Procedure

None.

Officer to Contact

Graeme Wardle, Head of Member Services

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Appendices

Appendix – Report of Independent Remuneration Panel

APPENDIX

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

MARCH 2023

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 who provided advice and background information to support the Panel's deliberations.

Scope of the Review

5. The Panel last met in August 2021 and it was therefore re-convened to ask them to-

- i) Review the annual increase to Basic and Special Responsibility Allowances which had previously been linked to the Local Government Employee Pay Award.
- 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

6. 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.
7. The Panel in 2021 agreed that the indexing of the Basic and Special Responsibility Allowances be in line with the Local Government Employee Pay Award be for a two period from the 1st April 2022 and that it would reconvene in 2023 to re consider indexation.
8. The Panel noted that for the 2022/23 Employee Pay Award the Local Government Employers offered a flat rate pay award of £1925.00 per annum across all pay points. This had significant implications for the indexing of Member Allowances and as a result Members agreed to freeze allowances to the 2021/22 rates.

9. The Panel noted that on the 23rd February 2023 the Local Government Employers had offered, which had not been accepted at the time of the Panel meeting, a flat rate of £1925.00 or 3.88% for all those on pay points above the top of the national pay spine, which in Leicestershire is Grades 14 to 17. This offer once again had implications for the current indexation agreement on Allowances.
10. As a result of paragraphs 8 and 9 the Panel met earlier than it was technically required to so that it could reflect on the implications of the 2022/23 Local Government Employee Pay Award and the 2023/24 offer.
11. Following careful and thoughtful deliberation, including a number of options, the Panel concluded that the Basic and Special Responsibility Allowances should indeed be increased given that they had been frozen since 2021/22. The Panel therefore concluded that they were minded to recommend that Basic and Special Responsibility Allowances be increased by 3.88% for the financial year 2023/24 i.e. 1st April 2023 to 31st March 2024.
12. The Panel noted that whilst they could recommend an indexation figure for up to four years, they agreed that it would re-convene in March 2024 to consider future indexation.
13. The Panel also requested further research be undertaken during 2023 to ascertain what other local authorities were doing with regard to the indexing of their allowances

The Panel recommends to Council that:-

Basic and Special Responsibility Allowances be increased by 3.88%, for the period 1st April 2023 to 31st March 2024.

The Panel reconvenes in March 2024 to review the indexation of Basic and Special Responsibility Allowances from the 1st April 2024.

That further research be carried out during 2023 with regard to the indexing of allowances in other local authorities.

B. Travel and Subsistence

14. The Panel reviewed the Travel and Subsistence allowances and concluded no changes to the scheme were necessary.

The Panel recommends to Council that:-

The current levels of Travel and Subsistence allowances remain unchanged.

C. Member Annual Reports and Accountability

15. 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 what they had done 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.
16. In June 2022 the Head of Member Services wrote to all Members, asking them to submit their Annual Report for the municipal year 2021/22.
17. 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.
18. A total of fifty-two Members produced an annual report for the municipal year 2021/22. All the Annual Reports submitted 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>

19. 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.
20. 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 were particularly and equally impressed with those Members who included photographs in their reports using either the County Council provided template or their own template
21. 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.

Summary of Recommendations

The Panel recommends to Council that:-

- a. **Basic and Special Responsibility Allowances be increased by 3.88%, for the period 1st April 2023 to 31st March 2024.**
- b. **The Panel reconvenes in March 2024 to review the indexation of Basic and Special Responsibility Allowances from the 1st April 2024.**

- c. That further research be carried out during 2023 with regard to the indexing of allowances in other local authorities.**
- d. The current levels of Travel and Subsistence allowances remain unchanged.**
- e. Those Members who submitted an Annual Report be thanked for doing so.**

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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