

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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