

PUBLIC

Agenda Item No.8 (a)

DERBYSHIRE COUNTY COUNCIL

COUNCIL

13 September 2017

**Joint Report of the Director of Legal Services and Monitoring Officer and
the Director of Finance & ICT**

**MEMBERS' ALLOWANCES SCHEME AND APPOINTMENT TO THE
INDEPENDENT REMUNERATION PANEL**

1. Purpose of the Report

To present to the Council a report of the Independent Remuneration Panel (the Panel) in order that the Council may consider the proposals to amend the Members' Allowances Scheme put forward at the meeting on 24 May 2017 in the light of the Panel's recommendations and to appoint Mrs Patricia Boyle to serve on the Panel for a second term of four years.

2. Information and Analysis

Members' Allowances Arrangements

At its meeting on 24 May 2017, the Council considered proposals for provisional Members' Allowances arrangements. The Independent Remuneration Panel has now considered the proposed arrangements and has produced a report which is attached as an Appendix. The proposed arrangements are detailed in the Panel's report.

The main proposed changes are as follows:

- reduction of Special Responsibility Allowance (SRA) for the Deputy Leader from 80% to 75%
- reduction of SRA for Cabinet Members from 60% to 50% whilst increasing the number of Cabinet Members from 4 to 5
- the creation of Cabinet Support Members to replace the Deputy Cabinet Member role and the SRAs for Cabinet Support Members being reduced to 26% from the 30% formerly offered to Deputy Cabinet Members.

- increase the SRA for the Leader of the Opposition to 45%
- no change to the Basic Allowance.

The total cost of the SRAs will be around £350,562 per annum which can be contained within existing budgetary provision.

The Panel has confirmed that it supports the proposed arrangements.

Appointment of Mrs Patricia Boyle

At the Council meeting held on 18 April 2012, it was agreed that members of the Remuneration Panel should be allowed to serve for up to two terms of office of four years.

Mrs Boyle is a current member of the Panel, having been appointed in 2013. Her first term of office has now expired. It would be helpful to secure Mrs Boyle's continuation in office in view of her experience and to provide continuity on the Panel. Mrs Boyle has indicated that she would be happy to continue for a second term. The Council, is therefore, requested to confirm her appointment.

3. Legal Considerations

As required by law, the Panel's report has been publicised in local newspapers, namely The Derby Telegraph and the Derbyshire Times.

The Local Authority's (Members' Allowances)(England) Regulations 2003 and the relevant guidance have been adhered to.

4. Financial Considerations

The overall cost of the proposals is around £350,562 per annum. This is unchanged from the costs in the report to Council on 24 May 2017 which considered interim changes to the Scheme.

5. Other Considerations

In preparing this report, the relevance of the following factors has been considered; Prevention of crime and disorder, equality of opportunity, environmental, health, human resources, property and transport considerations.

6. Background papers

Files held by the technical section, Corporate Finance Division and by the Director of Legal Services.

7. OFFICERS' RECOMMENDATIONS

That the Council:

- (a) considers whether or not to adopt the Members' allowance arrangements which were provisionally adopted on 24 May 2017 as detailed in Appendix 1 in light of the recommendations of the Independent Remuneration Panel; and
- (b) approves the appointment of Mrs Patricia Boyle to the Independent Remuneration Panel for a second four year term

John McElvaney
Director of Legal Services
and Monitoring Officer

Peter Handford
Director of Finance and ICT

Interim Report of the Independent Remuneration Panel

Derbyshire County Council

August 2017

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1. The Panel

The current Derbyshire County Council Independent Remuneration Panel comprises five members, none of whom are members of the Council or any of its committees, nor an employee of the Council. The members are:

- **Mr Ian Orford (Chair)**
Former Senior Bank Official, part-time Consultant. Member since September 2012.
- **Mrs Pat Boyle**
Magistrate, former Bank Official. Member since June 2013.
- **Mr Denis Heaney**
Former Investigations Manager HMRC, previously an Independent Member of the Derbyshire Police Authority Standards Committee and the County Council's Standards Committee. Member since December 2014
- **Mr Andrew Sharpe**
Clerk and Responsible Financial Officer for a number of Parish Councils in Derbyshire. Former Head of Democratic Services and Deputy Monitoring Officer with Erewash Borough Council. Member since December 2014
- **Mr Simon Westwood**
Independent Chair of the Safeguarding Children Board for the City of Salford Council and the City of York Council. Worked for the County Council until 2000, having held the posts of Head of Planning and Projects and Head of Planning and Strategic Development. Member since December 2014.

2. Background and process of the Review

In May 2017 a new County Council was elected in Derbyshire. The new administration amended their Cabinet structure to reflect changing needs and priorities which were set out in a Schedule of Appointments to Cabinet, Cabinet Portfolios and Committees dated 24 May 2017. On the same date the Council approved interim changes to the Members' Allowances Scheme, the key points were:

- Reduction of Special Responsibility Allowance (SRA) for Deputy Leader from 80% to 75%.
- Reduction of SRA for Cabinet Members from 60% to 50% whilst increasing the number of positions from 4 to 5.
- Deletion of Deputy Cabinet Member role and creation of Cabinet Support Member role. The SRAs for these positions will be reduced from 30% to 26%.
- Increase the SRA for the Leader of the Opposition to 45%.
- No change to the Basic Allowance.

The Independent Remuneration Panel was requested to review these amendments, so that its views can be taken into consideration by the Council when approving the Scheme at its next full meeting. The results of this review are the basis of this Interim Report of the Panel

For clarity, all additional Special Responsibility Allowances (SRAs) for Member roles beyond the Basic Allowance are given as proportions of the full SRA, currently £34,611. The Leader of the Council holds this full allowance and it remains the same as that previously agreed for 2017-8.

The Panel's considerations of the changes to the structure of the Administration have been assisted through discussion with Officers and the Council Leader.

3. Specific Issues Considered and Panel Recommendations

3.1 Cabinet and its support arrangements

There are seven Portfolio Holders who make up the Cabinet of the Council :- The Leader, The Deputy Leader and five other Cabinet Members. The Cabinet are supported by seven Cabinet Support Members.

The Special Responsibility Allowances (SRA) proposed by the Council are:

- Leader 100% - unchanged
- Deputy Leader 75% - reduced from 80%
- Cabinet Members 50% - reduced from 60%
- Cabinet Support Member 26% - reduced from 30% (prev. Deputy Cabinet Member)

The Panel noted:

- That some of these changes represented a return to the position under the last but one administration.
- That overall these changes result in a cost reduction of 12% (£28,725) and that this was in line with a manifesto commitment made by the Conservative group.
- The role of the Cabinet Support Member appears to be significantly different to that of the previous “Deputy” role and therefore consider that new Role Profiles should be created. The Panel intends to further review this role and the associated SRA before its next full report.

We are content to support the proposed amendments for these posts.

3.2 Allowance paid to the Leader of the Main Opposition

In our 2016 report we expressed the view that the arrangement in place at that time, with a higher payment being made available if the holder of this position was offered and accepted a seat on Cabinet, was inappropriate and we are pleased that is being replaced with a single level SRA payable to the Leader of the Main Opposition party.

At that time we recommended a single level SRA of 35%, however, given the current size of the main opposition group we are content to support the 45% SRA detailed in the interim arrangements. We intend to review this SRA again, with the benefit of information from other comparable Councils, before our next full report.

We are content to support the proposed SRA for this role.

4. Summary of Recommendations

The panel are content to support the arrangements documented in the Members’ Allowances Scheme approved, as an interim measure, by Council on 24 May 2017.

POST	NUMBER	SRA	SRA	TOTAL
		£	%	£
Leader	1	34,611	100.0	34,611
Deputy Leader	1	25,956	75.0	25,956
Cabinet Member	5	17,304	50.0	86,520
Cabinet Support Member	7	9,000	26.0	63,000
Scrutiny Panel Chairman	4	8,652	25.0	34,608
Scrutiny Panel Vice-Chairman	4	4,326	12.5	17,304
Chairman of Council	1	8,652	25.0	8,652
Vice-Chairman of Council	1	4,326	12.5	4,326
Regulatory Committee Chairman	2	8,652	25.0	17,304
Regulatory Committee Vice-Chairman	2	4,326	12.5	8,652
Leader of Main Opposition	1	15,576	45.0	15,576
Leader of Minority Opposition Group (with at least 10% of Council Members)	1	5,190	15.0	5,190
Standards Committee Chairman	1	5,190	15.0	5,190
Standards Committee Vice-Chairman	1	2,595	7.5	2,595
Pensions & Investments Chairman	1	5,190	15.0	5,190
Pensions & Investments Vice Chairman	1	2,595	7.5	2,595
Audit Committee Chairman	1	5,190	15.0	5,190
Audit Committee Vice-Chairman	1	2,595	7.5	2,595
Fostering Panel	2	1,836	N/A	3,672
Adoption Panel	2	918	N/A	1,836
TOTAL	40			£350,562