

**DERBYSHIRE COUNTY COUNCIL
COUNCIL**

13 April 2016

Report of the Chief Executive

INDEPENDENT REMUNERATION PANEL – ANNUAL REPORT 2015-16

1 Purpose of the Report

To receive the Annual Report of the Independent Remuneration Panel for 2015-16 and to consider the Panel's recommendations

2 Information and Analysis

It is a requirement of the Local Authorities (Members' Allowances) (England) Regulations 2003 that the Council appoints an Independent Panel on Members' Allowances to consider issues and put forward recommendations for the Council to consider in relation to the Members' Allowances Scheme. The Regulations also include a requirement for the Panel to make an Annual report to Council on its recent activities.

Attached as an Appendix is the report for 2015-16.

3 Financial Considerations

Each proposal can be taken separately: -

(i) Indexation of the Basic Allowance

The Basic Allowance is currently £10,047 although some Members do not receive the full amount as they renunciated the last increase of 1%. The indexation of 2.2% - in line with the most recent pay award – from 1st January 2015 would increase the Basic Allowance to £10,269 and would have cost £3,552 in 2014-15 and £14,208 in a full year.

(ii) Indexation of Special Responsibility Allowances(SRA)

If Special Responsibility Allowances are indexed in the same way as Basic Allowances then the additional cost would be £1,972 in 2014-15 and £7,888 in a full year. Again, not all Members are currently paid at the full level available for the same reason as with the Basic Allowance. Additionally, the cost of the SRAs for

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the Chair and Vice-Chair of the Council, and the Chair and Vice-Chair of the Pension and Investment Committee are recovered from the Chair's Fund and the Pension Fund respectively.

(iii) SRA for the Leader of the Minority Group

The Panel recommends that the Leader of the Minority Group should be in receipt of a SRA of 35% irrespective of whether they are a full member of Cabinet or not. This recommendation would therefore cost £3,573 if the Leader of the Minority Group does not take their full seat on Cabinet, but would save £3,573 if they were a full member of Cabinet.

(iv) Dependant Carers Allowance

The proposal to increase the allowance to the same level as the National Living Wage is unlikely to cost the Council anything other than a negligible sum as few claims are ever made under this part of the Scheme.

(v) Attendance at Adoption and Fostering Panels

Whilst the Council cannot pay members per attendance there is provision to recognise particularly heavy workloads with an additional SRA payment. The proposal contained in the report would be to recompense Elected Members who sit on the Adoption and the Fostering Panels by the addition of a SRA.

It is understood that on average the Fostering Panel meets every month, that only one Elected Member is required at each meeting, and that the duties are split between two Elected Members who each attend six meetings a year. On the basis of payment recommended by the IRP this would result in a SRA of £900 each.

The Adoption Panel is split into a North and a South Panel, each meets monthly and one Elected Member attend each meeting of the North Panel and a further Elected Member attends the South Panel. On the basis used for the Fostering Panel this would result in additional SRA payments of £1,800 each.

The total cost of this proposal would be £5,400 in a full year.

The total cost of all the proposals made by the Independent Remuneration Panel is between around £24,000 and £31,000, depending on whether the Leader of the Minority Group is a full member of Cabinet or not.

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The costs have been calculated on the full costs of allowances payable, assuming no renunciation of allowances by members. This provides a more reasonable view of the costs of the IRP's proposals as renunciation is a personal decision and can be changed at any time. If all Members who have decided to renunciate part of their allowances decided not to do so in future the Council's spend would increase by a greater amount than identified above.

The additional costs can be met from within the Members' Allowances Budget whether or not some Members continue not to take all their allowances.

4 Legal Considerations

The Council is under a legal obligation to have regard to the recommendations of the Independent Remuneration Panel but retains the discretion to decide whether or not to amend the Members' Allowances Scheme as it seems fit.

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 Director of Legal Services.

7 OFFICER'S RECOMMENDATION

That the Annual Report of the Independent Remuneration Panel for 2015-16 be received and the Panel thanked for their report.

That Members consider the recommendations made by the Panel and the Members' Allowances Scheme is amended to reflect such recommendations as may be agreed by Council.

IAN STEPHENSON
Chief Executive

Report of the Independent Remuneration Panel

Derbyshire County Council

January 2016

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Schedule 1 – Current Special Responsibility Allowances

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1. Background

1.1 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 of Derbyshire Dales District Council IRP. Member since September 2012.
- **Mrs Pat Boyle**
Magistrate, former Bank Official, member of Derbyshire Dales District Council IRP. Member since June 2013.
- **Mr Dennis 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 Codnor and Castle Gresley Parish Councils. 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,

1.2 The panel has met four times during 2015/16.

2. Terms of Reference

2.1 The Local Government Act 2000 and the Consolidated Members' Allowances Regulations 2003, and subsequent amendments, require Independent Remuneration Panels to offer advice and rules on what Councillors may claim as expenses and allowances. Specifically they consider the following allowances:

- Basic allowance
- Special responsibility allowance
- Child care and dependent carer's allowance
- Pensions for members
- Travel and subsistence allowances
- Co-optee allowances
- Provision for suspension of allowances in certain circumstances
- Suitability of an index for allowances and what that index might be.

2.2 All recommendations are to be published and considered by all Councillors and must be voted on by the full Council.

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3. Process of the Review

The panel identified the following areas for review:

- The Basic Allowance
- Special Responsibility Allowances
- Travel and subsistence allowances
- The scrutiny structures of the Council and the SRA appropriate for the Chair / Vice Chair of the Scrutiny Committees.
- Elected Member involvement in the Adoption and Fostering Panels and whether an SRA is appropriate.

The panel has held meetings with the Leader of the Council, the Leader of the Opposition and the Chair of the Scrutiny Management Committee / Chair of Improvement and Scrutiny – Resources.

The panel has also had meetings with Senior Officers of the Council and we are grateful for their time and support.

4. Review of Progress

4.1 Role Profiles

We note that the Role Profiles established following the restructuring of the Council's administrative structures in 2013 are still under consideration.

The panel feels that these are important documents for the following reasons:

- They should show the relative responsibilities of different roles which is vital for establishing appropriate Special Responsibility Allowances.
- The publication of the profiles will aid the public understanding of the roles and aid the overall aim of greater transparency in the operation of the Council.
- They are a prerequisite for achieving the LGA Councillor Development Charter.

The panel, therefore, looks forward to seeing the profiles finalised and published in the near future.

5. Specific Issues Considered and Recommendations

The current Members' Allowance Scheme was approved by the Council on 2 October 2013 following the restructure of the Council's administrative structures resulting from the election earlier that year. The panel details below changes which it recommends to this Scheme.

5.1 National Joint Council for Local Government Services - Pay Award

The Members' Allowance Scheme approved by the Council on 2 October 2013 states that Members' Allowances "will be increased in line with the Pay Award with effect from the 1st April each year".

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The NJCLGS agreed a pay increase in November 2014 to increase rates of pay by 2.2% applicable from 1 January 2015.

The panel is of the opinion that this increase should have been applied to the Basic Allowance and all Special Responsibility Allowances from this date, in line with the approved Scheme.

The panel therefore recommends that the Basic Allowance and all Special Responsibility Allowances should be increased by 2.2% and that this should be backdated to 1 January 2015.

The panel also recommends that this indexation should continue and any future increases should be applied automatically.

5.2 The Basic Allowance

The panel has reviewed the current level of the Member's Basic Allowance that is available to all Councillors.

Following the application of the increase detailed in 5.1, the Basic Allowance is £10,268 per annum. Our analysis of allowances paid to members of other Councils shows that the Derbyshire Basic Allowance is in the mid-range of Basic Allowances paid by other comparable 'Shire' counties. The Panel therefore recommends that the Derbyshire Basic Allowance should remain at the current level and should continue to be adjusted in line with any Pay Award for DCC staff.

5.3 Special Responsibility Allowances

Following the application of the increase detailed in 5.1, the 100% SRA payable to the Leader of the Council is £33,928. All other SRAs are paid relative to this rate as detailed in Schedule 1.

Except for that detailed in 5.4 below, do not recommend any changes to this scheme. As with the Basic Allowance, SRAs should continue to be adjusted in line with any Pay Award for DCC staff.

5.4 Leader of the Main Opposition Group

The panel has reviewed the SRA available to the Leader of the Main Opposition Group. The panel feel that the current structure, with a higher payment being available if the Leader of the Main Opposition Group takes a seat on Cabinet is inappropriate and we have not found this situation in other councils. Having reviewed the SRA given to this role in other councils and giving consideration to the current size of the Main Opposition Group we feel that an SRA of 35% is appropriate, regardless of whether a seat on Cabinet is held.

At the request of a Member we have also reviewed whether an SRA should be awarded to Shadow Cabinet Members. There are examples of these being paid at other councils, but we do not recommend the introduction of a new SRA for these roles.

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6. SRA for Elected Members of Adoption and Fostering Panels

The panel reviewed the role played by Elected Members on the Adoption and Fostering Panels. The role is an important one with significant impacts upon the children involved, their families and many others. It is essential that all Members of these panels have an interest in and dedication to the work.

The role requires a significant amount of time to read reports and undertake preparation before each meeting, to attend the meeting and to review detailed minutes afterwards. The Adoption and Fostering Panels are made up of Elected, Independent and Expert members; currently the Elected Members do not receive any remuneration.

The panel understands that other Independent Members of these panels are currently remunerated at a rate of £150 for attendance at a full day meeting and £100 for a half-day.

The panel recommends that Elected Members be remunerated at the same rate as other Independent Members of the Adoption and Fostering Panels.

7. Child care and dependent carer's allowance

The panel feel that this allowance plays an important role in allowing individuals with caring responsibilities to play a role in Council. The allowance is currently linked to the Adult Minimum Hourly Wage (currently £6.70). The panel recommends that in future the allowance should be reimbursed at the National Living Wage (£7.20 with effect from 1 April 2016).

The current situation where in exceptional circumstances (e.g. where a dependent requires specialised care) and with prior authorisation, higher amounts may be reimbursed should continue. The rules for claiming this and other allowance should continue to be governed by the Members' Allowance Scheme.

8. Work Programme for 2016/17

The panel intend to continue to keep under review all aspects of the allowances paid to Members.

It is apparent that the ongoing work regarding the North Midlands Combined Authority and the Midlands Engine may have significant impact upon the work and responsibilities of the Council and in particular upon the holders of Special Responsibility Allowances. The panel intend to keep this under review and will have regard to both the absolute and relative allowances paid in the light of changing responsibilities.

The panel would welcome input from any Elected Member or Officer with regard other work they should undertake in the next civic year.

9. Conclusion

In preparing this report, and the recommendations contained herein, the Panel wishes to thank those Members and Council officers who contributed to our discussions and assisted the Panel in its work.