

Agenda Item No.21 (b)

DERBYSHIRE COUNTY COUNCIL

COUNCIL MEETING

18th APRIL 2012

**Report of the Chief Executive, the Director of Legal Services
and the Director of Finance**

Members' Allowances Scheme

1. Purpose of the Report

To present to the Council a report of the Independent Remuneration Panel in order that the Council may consider its recommendations and for the Council to consider the Panel's proposals regarding future membership.

2. Information and Analysis

Report of the Independent Remuneration Panel

The Council has had an Independent Remuneration Panel to advise on its Members' Allowances Scheme for a number of years. The last report from the Panel was presented to the Council in April 2011.

The Panel's current report is attached at Appendix 1. The Panel has reviewed the Members' Allowances Scheme and has made certain recommendations. In particular, the Panel recommended the following:-

1. the Basic Allowance should remain at £9948 per annum.
2. the Special Responsibility allowance for the Leader of the Main Opposition should increase from £8220 to £14,790 per annum.
3. the payment of travel expenses for the attendance of County Council Members at parish council meetings.

The Panel has also made recommendations regarding allowances and expenses for non-staff members of Derbyshire School Admission and Exclusion Appeals Panels.

Membership of the Panel

The Regulations required that IRPs have at least three members. There is no maximum number of members. A local authority is required to consider the appropriate size for its panel to discharge its functions effectively given the particular local circumstances and should avoid unduly large panels which would be unable to be effective. A local authority also has to give consideration to the length of time a member will serve on the panel, balancing the requirement to retain expertise, but ensuring new appointees are regularly recruited. The term of office is currently specified as being four years.

It is proposed that it be specified that an individual panel member should be permitted to serve up to two periods of four years and that a fifth member be appointed in 2012. In this way, retention of expertise and an overlap of membership periods will be achieved.

3. Legal Considerations

As required by law, the Panel's report has been publicised in local newspapers, namely the Derby Evening Telegraph and the Derbyshire Times. No comments on the report have been received.

The Local Authorities (Members' Allowances)(England) Regulations 2003 and the relevant guidance have been considered.

4. Financial Considerations

The cost of the recommendations can be met from within the existing Members' Allowances budget.

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 recommendations detailed within the report of the Independent Remuneration Panel, as attached, be agreed with effect from 18th April 2012.

That the proposals for the appointment of a fifth panel member be approved.

Nick Hodgson
Chief Executive

John McElvaney
Director of Legal Services

Peter Handford
Director of Finance

Report of the Independent Remuneration Panel

Derbyshire County Council

January 2012

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- 1. Background**

1.1 The current Derbyshire County Council Independent Remuneration Panel was first appointed in 2010 and comprises four members, none of whom are members of the Council or any of its committees, nor an employee of the Council. The members are;

- Mr Stephen Briscoe (Retired Director, NHS Personnel)
- Professor Allen Hutchinson (Emeritus Professor in Public Health, University of Sheffield) (Chair)
- Ms Bridget Longman (Director, Longman Accountancy Services Ltd)
- Mr Tony Turnock (Director, Performance Development Consultants Ltd)

1.2 The panel has met four times during 2011-12.

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's 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.

3. Process of Review

The Panel identified some matters for review during the process of presenting our first review to the Council in 2010-11 and other items were brought to the Panel's attention by Council Members and officers. These are presented below under Section 5, Specific Issues Considered, which explains the issues under examination and the processes the Panel took in coming to a decision, and Section 6: Recommendations.

4. Review of Progress

The Panel has reviewed the implementation of the 2010-11 report that was accepted by the Council in April 2011. The Panel has been informed that all of the specific recommendations have been put in place or are in the process of being implemented. So far as the recommendations on detailed disclosure of expenses are concerned, there has been significant progress with improving web-based access to Member's profiles, allowances and annualised claims, including linking Member's expense claim forms to individual profiles. The Panel thanks Council Members and officers for taking this forward. We understand that there is work in progress to also make the Register of Gifts and Hospitality available through the website.

5. Specific Issues Considered

5.1 The Basic Allowance

We have carefully considered the current level of the Basic Allowance paid to members but did not find any reason to vary the existing [£9,948] Basic Allowance in the current Members Allowances Scheme Schedule 3a. We note that, in accordance with current DCC practice as set out in S.2(b) of the Members Allowances Scheme, there is currently provision for an increase in line with any increase in the Pay Award for DCC staff.

During the coming year [2012/13] the Panel will take the opportunity of further considering whether the Basic Allowance is appropriately set, particularly in relation to the Member role profile currently under review by the Council.

5.2 Allowance paid to the Leader of the Main Opposition

In our 2010/11 report we expressed the intention of reviewing the allowance payable to the Leader of the Main Opposition party, to determine whether the allowance currently paid is sufficient and appropriate.

During the years preceding the appointment of the current Independent Remuneration Panel there had been some changes in the role of, and level of allowance paid to, the Leader of the Main Opposition. These resulted in a level of Special Responsibility Allowance [SRA], which equates to 25% [£8220 in 2010/11] of the allowance of the Council Leader.

During our review we have been assisted by early work undertaken by Councillors and Council officers on role descriptions of all of the main roles undertaken by Councillors, including that of the Leader of the Main Opposition. Derbyshire County Council is not alone in undertaking this work on role responsibilities, and some Councils have already finalised their work and made the results available on websites. We have therefore also consulted reports from some counties similar to Derbyshire.

Other sources of information have been helpful to us. The report 'Members remuneration - models, issues, incentives and barriers' by the Councillors Commission, published by the Department of Local Government and Communities in 2007, contains a useful review of the complex role undertaken by the Leader of the Main Opposition and this has further assisted in our decision making.

Finally, information on allowance rates for Leaders of the Main Opposition from across England are available from the Local Government Association 'Members' Allowances survey 2008' and we have undertaken our own comparison of allowances of neighbouring Shire Counties and comparator counties, most of which have similar sized populations to that of Derbyshire.

Our review has shown that the allowance falls short, in our view, of that which would reflect the complex role that the Leader of the Main Opposition is called upon to undertake. Furthermore, most other comparator counties provide an allowance of between 45% and 66% of the Leader's allowance, significantly greater than that paid in Derbyshire. We shall therefore recommend that the allowance for the Main Leader of the Opposition should be increased in 2012/13 to an SRA which is equivalent to 45% of the Leader's allowance [the SRA thus equating in 2010/11 terms to £14790].

5.3 Travel expenses to Parish Council meetings within Member's Electoral Division

One aspect of allowances under review during 2011/12 has been the cost of travel within a Member's Electoral Division. This expense is currently not reimbursed by DCC.

The Panel noted the wide variation in the number of Parishes between Electoral Divisions in Derbyshire, with some Members having more than ten in their Division. There is

therefore the potential for some Members to incur significant travel costs when visiting Parish Council meetings on formal business. In exploring these issues the Panel also reviewed Member's allowances paid by six other comparative Shire County Councils. All six presently pay travel expenses for attendance at Parish Council meetings.

We have thus concluded that it is appropriate for Derbyshire County Council Members to receive travel expenses for attendance at Parish Council meetings within their Electoral Division when a formal request has been received to discuss a County Council function. Travel expenses should normally only be paid for travel within the area of the Member's Electoral Division and the rate to be paid should be that paid for Member's travel expenses by Derbyshire County Council.

We note that some Parish Councils are situated across more than one Member's Electoral Division. Where this occurs the preferred approach would be an agreement between the affected Councillors and Council officers concerning which Councillor might most appropriately attend to address the County Council function under consideration. However, this may prove difficult to arrange in practice so we propose for the first year of implementation that Councillors use their discretion about whether one or two should attend. The Panel will then review the working of this aspect of the allowances during 2012-13 to determine whether further guidance is required.

5.4 Travel and subsistence allowances for members of Derbyshire School Admission Appeal Panels, School Exclusion Appeal Panels and other statutory Education Panels

The Panel has been asked to review the allowances available to members of School Admission and Exclusion Appeal Panels, and to make any recommendations the Independent Remuneration Panel thinks appropriate to this important area of public endeavour. The scope of the allowances and the role of the IRP are set out in the most recent [2010] School Admissions Appeal Code, section 1.39, below:-

'Panel members are eligible to receive travel and subsistence allowances under regulation 7 of the Appeals Regulations and in line with sections 173 and 174 of the Local Government Act 1972. They can also be compensated for any loss of earnings or any individual expenses, including child minding costs, that are necessarily incurred as a result of attending an appeal panel or associated training. The payment is set by the local authority which **must** have regard to the recommendations of its independent remuneration panel, as provided for in the Local Authorities (Members' Allowances) Regulations 2003.'

It is clear from data provided to the IRP by DCC that there are a significant number of panel members who have an input to the appeals process. Since there have recently been changes (reductions) made to the travel and subsistence expense allowances available to DCC staff and members, it is timely that there is consideration given to allowances made to members of appeals panels, taking the Appeal Panels regulations into consideration.

Whether or not members of appeal panels are in employment, these members play an important role in support of the education of children and young people in Derbyshire and undertake this on a voluntary basis and without payment. Even when an appeal panel only refers to one case, it is clear from data held by the County Council that the members may spend a significant period of time away from their usual activities and may travel considerable distances. In some instances it appears that these volunteers may have to purchase their own meals in the course of their duties. We have therefore made recommendations in relation to travel and subsistence allowances, carers of dependents allowances and an allowance in support of the work of panel members.

In addition to the functions of the appeal panels it has also been brought to our attention that there are other education panels which also support the County Council, such as SACRE [the panel which advises the County Council on religious education matters]. In our work during 2012/13 we will explore further the work of SACRE and other education panels to determine whether their contribution is of a similar nature to that of the appeal panels.

6. Recommendations

6.1 Recommendations on Member Allowances

6.1.1 The Basic Allowance

We recommend that no change is needed to the existing 2011-12 level of Basic Allowance (unless it is a variation under S.2(b) of the Scheme which allows for an uplift linked to any increase in the Pay Award).

6.1.2 Allowance paid to the Leader of the Main Opposition

We recommend that the allowance for the Main Leader of the Opposition should be increased in 2012/13 to a Special Responsibility Allowance that is equivalent to 45% of the Leader's allowance.

6.1.3 Travel to Parish Council meetings within the Member's Electoral Division

We recommend that Members should be eligible to receive travel expenses for attendance at Parish Council meetings within their Electoral Division when a formal request has been received to discuss a County Council function. Travel expenses should normally only be paid for travel within the area of the Member's Electoral Division, at the rate paid for Member's travel expenses by Derbyshire County Council.

6.2 Recommendations on expenses for non-staff members of Derbyshire School Admission and Exclusion Appeal Panels

Where the IRP has made recommendations in the 2010-11 report on travel and carers of dependents allowances, then these recommendations should also apply to School Admission and Exclusion Appeal Panel members. For clarity, these recommendations are:-

- The travel expenses policy for members should mirror the policy for Derbyshire County Council employees. The mileage rate for motor vehicles for 2012/13 should therefore be 45p per mile which, it should be noted, is a significant reduction from the 65p per mile rate paid to panel members in 2011-12. Parking costs should be met on production of receipts.
- Carers of dependents aged 16 or under, or of dependent adults for whom documentary evidence of their care requirements has been provided, are eligible to claim their care costs while undertaking appeal panel duties. The Panel recommends that the benchmark for the maximum amount per hour is linked to the adult national minimum hourly wage. In exceptional circumstances (e.g. where a dependent has a disability for which specialised care is required) and with prior authorisation, higher hourly rates than the benchmark should be available. Only actual receipted expenditure should be reimbursed.

In addition, we make new **recommendations** in the two following areas.

6.2.1 Subsistence

When attending panels, members are working away from home or from their normal employment. The IRP expects that panel members would be provided with refreshments and light meals where appropriate. Where refreshments or meals are not provided by the meeting organisers, in accordance with regulation 7 of the Appeals Regulations, panel members should be eligible for reasonable subsistence allowance. Subsistence should be paid at the rates set out in Schedule 4 of the Members Allowances Regulations. Only actual receipted expenditure should be reimbursed.

In recognition of the desire of the Council to move away from subsistence payments, during 2012-13 the IRP will make further enquires concerning appeal panel member's subsistence requirements and consider alternative means of providing support if needed.

6.2.2 Panel Member Allowance

The Panel does not seek to try to put a monetary value on this valuable voluntary work but rather considers that this role should attract an allowance of £25 per day when panel members attend a meeting, in recognition of each member's contribution. This allowance should be paid without reference to the period of time spent on the activity during the day. The IRP will continue to review the allowance during 2012/13 to ensure it is set at an appropriate level and to consider whether there are any other panels currently constituted by the Council where panel members should also be eligible for the allowance.

Concerning the implementation of these recommendations in section 6.2, we further recommend that information on the allowances for members of Education Appeal Panels be incorporated into the Members Allowances Scheme document, and that all panel members be given access to the document.

7. Work Programme for 2012/13

The Panel intends to continue its review of the level of Member's Allowances as part of its programme of work for 2012/13, when it will be informed by the current work of the Council on role profiles. We also indicate above that we shall review the contribution made by members of standing Educational Panels that advise the Council. As before, issues of concern may also be referred to the Panel.

8. 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.