

North East Derbyshire District Council

Council

6 March 2017

Members' Allowance Scheme

Report of the Chairman of the Independent Remuneration Panel

This report is public

Purpose of the Report

- To review and agree the Recommendations made by the Independent Remuneration Panel with regard to Members' Allowances for the 2017/18 municipal year.

1 Report Details

1.1 North East Derbyshire's District Council's Independent Remuneration Panel (IRP), has carried out a review of the Council's Scheme of Members' Allowances.

1.2 The IRP comprised of:

- ❖ Mrs Susan Ambler, Head of Financial Accounting and Control at the University of Derby;
- ❖ Mr Gordon Inglis, Head Teacher at Bolsover School;
- ❖ Mrs Joanne Hill, Asset, Strategy and Development Manager at South Yorkshire Housing Association.

The Panel was supported by Council Officers:

- ❖ Jim Fieldsend, Team Leader (Solicitor);
- ❖ Nicola Calver, Governance Manager.

1.3 The Panel met on 13th January 2017 and were given the following remit:

- ❖ To consider the level of basic allowance, special responsibility allowance, travel and subsistence allowance, co-optees allowance, independent carers allowance at the District Council for the year commencing 1 April 2017
- ❖ To consider as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with Regulation 10(6) of the Local Authorities (Members Allowances) (England) Regulations 2003; and

- ❖ To consider as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years before its application is reviewed.

- 1.4 The panel considered presented information and requested further details in order to inform their views. A further meeting took place on 6th February 2017 to consider the requested information and formulate recommendations to Council.
- 1.5 To inform the review, the Panel has considered a number of factors including:
 - figures paid by neighbouring and comparative authorities; (a)
 - comparison data considering overall spend on allowances distributed by capita and number of Members; (b)
 - LGA Submission Documents; (c)
 - The work undertaken by the IRP in 2013 during the last full review; (d)
 - Current salary levels for NEDDC Staff (e); and
 - The currently adopted scheme of Allowances. (f)

Details of these are attached at **Appendix 1** to this report.

- 1.6 The Panel considered the Members Allowance Comparison Data, comparing North East Derbyshire with other similar authorities in a CIPFA Data set comprised of similarities in population, tax base, unemployment levels, demographics and sparsity. This data showed North East Derbyshire as being one of the most expensive Allowance Schemes within the table. When referring back to previous information received comparing North East Derbyshire to the rest of Derbyshire County the NED Allowances were mid-range. On further analysis it was noted that there were large gaps between comparative groups and North East Derbyshire, which created doubt that a justification could be made to warrant any large increase on the current allowances.
- 1.7 The Panel also considered salary grade levels for the Authority in order to make an informed decision around indexing. Members Remuneration in its entirety, including attendance and mileage, was considered and the previous years' claims were scrutinised in detail.
- 1.8 The Panel took the decision that they deemed to have received all necessary information to complete the review and there was no need to invite Members of Council to discuss the scheme with the Panel.

2 Conclusions and Reasons for Recommendation

- 2.1 The Independent Remuneration Panel were asked to consider the levels of Basic Allowance, Special Responsibility Allowance, Travel and Subsistence Allowance, Co-optees Allowance and Independent Carers' Allowance for the forthcoming financial year.

The evidence reviewed by the Panel indicated that the current Scheme of Allowances was robust and there was general agreement that, the Scheme is transparent, simple to administer and easily understood. It became evident that the review that took place within 2013 addressed many anomalies within the scheme and Members had previously agreed the proposals for change to create a fair and equitable scheme.

- 2.2 The Independent Remuneration Panel had been asked to consider whether adjustments to the levels of allowances may be determined according to an index and if so, which index and how long that index should apply subject to a maximum of four years before its application was reviewed.

After full consideration the Independent Remuneration Panel wish to make recommendations to Council to adopt a singular 1% increase commencing 1st April 2017 to all SRAs and the Basic Allowance. If approved, the increase of 1% would be applied for the forthcoming financial year only. It was suggested that indexing Members Allowances alongside staff pay level increases was not appropriate. This was due to the differences that the Independent Remuneration Panel identified between salaries and allowances.

- 2.3 Further the IRP had been asked to consider as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with Regulation 10(6) of the Local Authorities (Members Allowances) (England) Regulations 2003;

It has been considered that the increases proposed above should be implemented from the commencement of the 2017/18 financial year.

- 2.4 The revised levels of SRAs and Basic Allowance are set out below for agreement:

Members' Allowance Scheme – Schedule 1						
Special Responsibility Allowances as at 1 April 2017						
Post		No	2016/17 Scheme £	2017/18 Scheme £	Increase £	Total
Cabinet	Leader	1	17,776.67	17,954.43	177.76	
	Deputy Leader	1	12,773.98	12,901.72	127.74	
	Other Cabinet Members	5	8,147.38	8,228.85	407.35	
Scrutiny	Chair	4	3,889.73	3,928.63	155.59	
	Vice Chair	4	1,293.85	1,306.79	51.75	
Standards	Chair	1	3,889.73	3,928.63	38.90	
	Vice Chair	1	1,293.85	1,306.79	12.94	
Planning	Chair	1	7,779.46	7,857.25	77.79	
	Vice Chair	1	1,293.85	1,306.79	12.94	
Council	Chair	1	4,914.80	4,963.95	49.15	
	Vice Chair	1	817.60	825.78	8.18	
Main Opposition Group	Leader	1	4,914.80	4,963.95	49.15	
Basic Allowance	All Members	53	5,171.32	5,223.03	2,740.80	3,910.04

3 Consultation and Equality Impact

3.1 None

4 Alternative Options and Reasons for Rejection

4.1 Members may wish to consider retaining the currently agreed levels of SRAs and Basic Allowance, choosing to refrain from increasing the budget for Members' Allowances by £3,910.04.

5 Implications

5.1 Finance and Risk Implications

5.1.1 If adopted, the recommended increase of 1% on each SRA and the Basic Allowance for Members would increase the budget set aside for Members Allowances by £3,910.04.

5.2 Legal Implications including Data Protection

5.2.1 None

5.3 Human Resources Implications

5.3.1 None

6 Recommendations

6.1 That Members approve a singular 1% increase to the Basic Allowance and Special Responsibility Allowances within the Member's Allowance Scheme as set out in 2.4 of the report.

6.2 That indexing in line with staff pay awards be removed from the scheme, and reviewed on an annual basis.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	N/A
District Wards Affected	N/A
Links to Corporate Plan priorities or Policy Framework	N/A

8 Document Information

Appendix No	Title
1	Information provided to the Independent Remuneration Panel during the 2017 review.
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
2013 Review of Members' Allowances	
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AGIN 13 (COUNC 0306) Members Allowance Scheme/AJD