

North East Derbyshire District Council

Council

25 April 2022

Independent Review Panel (IRP): Members Allowance Scheme

Report of the Assistant Director of Governance and Monitoring Officer

Classification: This report is public

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PURPOSE / SUMMARY

To consider the recommendations of the Independent Remuneration Panel (IRP) in regard to Members' Allowances for the 2022/23 municipal year.

RECOMMENDATIONS

That Council:

- 1) agree an increase to the Basic Allowance for Members reflective of the increase due already by way of index linking to staff pay increases to £5,738.01;
- 2) agree a blanket increase to all Special Responsibility Allowances (SRAs) reflective of the increase due by way of index linking to staff pay increases – 2.75% for 2020 and 1.75% for 2021;
- 3) agree to retain the level of remittance claimable by Co-optees;
- 4) agree to increase carer's allowance in line with national increases to the Minimum Wage;
- 5) link mileage remittance to HMRC recommended levels for claims;
- 6) link subsistence claim limits to NJC rates and mirror those set out for staff within the Travel and Subsistence Policy;
- 7) adjourn consideration of claims for PC Consumables to a point whereby the review of Members' ICT is completed;

- 8) continue to index link with staff pay awards for the 4-year duration of the Members' Allowance Scheme, to be reviewed in full for consideration in March 2026; and
- 9) subject to the changes suggested above, approve for the Members' Allowance Scheme to be amended accordingly for inclusion in the Council's Constitution.
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IMPLICATIONS

Finance and Risk: Yes No

Details:

In increasing the Basic Allowance and SRAs in line with the previously agreed indexing there will be an overall increase in expenditure of £23,188 which also includes the additional SRA cost of £4,316 for the Chair of the Licensing Committee. This is for the 2022/23 financial year only, and by not applying the index before this point the Authority has not incurred expenditure of £18,872 for the 2021/22 financial year, plus £11,411 for the 2020/21 financial year. Whilst initially a saving has been made, this is accumulative ongoing cost for the four-year period of the Members' Allowance Scheme.

An increase of the carers allowance claim will have minimal impact on existing budgets as this is rarely utilised.

Legal (including Data Protection): Yes No

Details:

Legal Provisions in relation to Members Allowances are set out in Regulation 10(6) of the Local Authorities (Members Allowances) (England) Regulations 2003.

Staffing: Yes No

Details:

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input checked="" type="checkbox"/>	No Details: IRP
Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.	
Good Governance	

REPORT DETAILS

1 **Background**

1.1 North East Derbyshire 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 Jean Jaffray JP;
- Mr Ian Kirk, Independent Person for a neighbouring District
- Mr Stephen Wainwright, Independent Person for a neighbouring District.

1.3 The Panel was supported by Council Officers whose posts are politically restricted:

- Mrs Sarah Sternberg, Head of Corporate Governance and Monitoring Officer; and
- Mrs Nicola Calver, (former) Governance and Democracy Manager and Deputy Monitoring Officer.

- 1.4 The Panel met on 29th March 2022 and were given the remit to consider the level of basic allowance, special responsibility allowance, travel and subsistence scheme, co-optees allowance, and independent carers allowance for the financial year commencing 1 April 2022.
- 1.5 They also gave consideration to whether adjustments to the level of allowance may be determined according to an index and, if so which index and how long the index should apply (subject to a maximum of 4 years) before its application is reviewed.
- 1.6 In order to determine these matters the panel received and scrutinised a significant amount of information which helped to provide the answers to their questions. The information considered included:
- basic comparator information between regional local authorities to assist with benchmarking;
 - the current remuneration levels within the existing scheme;
 - the roles of an elected member, for background purposes;
 - Information on how the area is affected by deprivation comparatively with other local authorities and how this may affect the basic pay for Members;
 - the proposed meeting schedule for 22/23, to help the panel to understand the frequency of meetings, and how this compares between Committees;
 - information about how other authorities remunerate the special positions within their Councils;
 - outlines of the roles and responsibilities of each remunerated position for elected members;
 - the full existing Members' Allowance Scheme as adopted in 2017; and
 - current pay-levels and recent increases for staff for the purpose of determining index-linking.

This information is available to Members as background documents on request collected as the pack of paperwork provided to the IRP and published on the restricted section of Mod.Gov.

- 1.7 Using this information and clarification on matters offered by non-partisan officers, the Panel came to its conclusions, which are summed up in section 2 of this report.

2. Details of Proposal or Information

- 2.1 The Panel considered comparative data benchmarking North East Derbyshire against all other local authorities within Derbyshire which detailed population levels, tax base, unemployment levels, demographics and sparsity. The data showed that North East Derbyshire, in the main, resides in the middle of the data set on most levels of remuneration for its Members.
- 2.2 The Panel noted that whilst Members' Allowances were index-linked with Staff pay, this had not been applied over the previous 2 years (beyond inflation). Whilst staff pay increased after the Pandemic after a period of stagnation, an increase for Members was explored but never applied due to the national position and uncertainty during 2021.

- 2.3 The evidence reviewed by the Panel indicated that the current Scheme of Allowances was robust and transparent. Recommendations had already been put forward during this municipal year, and adopted by Council, which created better parity for Chairs and Vice Chair's receiving SRAs. In order to increase this transparency, it is recommended that in Schedule 1 on page 236 of the Constitution each SRA would be set out, regardless of whether or not it was to be claimed under the single SRA rule. For clarity, this rule determines that no Member should be in receipt of more than one SRA at any one time, with only the highest payable.

Basic Allowance

- 2.4 The Basic Allowance received by Members is £5,488.39. Due to the absence of increase over the last 4 year, despite index-linking, it is recommended that the level of basic allowance for all Members should increase by 2.75% in line with the 2020 increase, then a further 1.75% in line with the 2021 increase. This would increase the Basic Allowance to £5,738.01. This is more reflective of the basic allowance paid by neighbouring Local Authorities.

Special Responsibility Allowances

- 2.5 For the same reasons above, it is recommended that each SRA increases in line with staff pay increases for 2020 and 2021.

Post		No	SRA (2017)	SRA (2022)
Cabinet	Leader	1	£18,866.58	£19,724.66
	Deputy Leader	1	£13,557.18	£14,173.77
	Other Cabinet Members	5	£8,646.91	£9,040.18
Scrutiny Committees (inc Audit)	Chair	4	£4,128.23	£4,315.99
	Vice Chair	4	£1,373.19	£1,437.74
Standards and Licensing Committees	Chair	2	£4,128.23	£4,315.99
	Vice Chair	1	£1,373.19	£1,437.74
Planning Committee	Chair	1	£8,256.43	£8,631.94
	Vice Chair	1	1,373.19	£1,437.74
Council	Chair	1	£5,216.13	£5,453.37
	Vice Chair	1	£833.95	£871.88
Main Opposition Group	Leader	1	£5,216.13	£5,453.37

Co-optees

- 2.6 The Council currently has 2 parish Council representatives who sit as non-voting members of the Standards Committee. They are currently remunerated at £547.75 for sitting at 5 meetings per year and are able to claim travel to and from the meeting venue. The remuneration for this position was in line with the offer from other local authorities, and therefore it is recommended that this figure remain at £547.75 for the forthcoming 4 year period.

Carers Allowance

- 2.7 Having considered the scheme set out within the constitution, it was deemed fit for purpose. However the remittance claimable per hour was considered too low and no longer is reflective of the National Minimum Wage (NMW) for adults. It is recommended that this is increased to £9.50 per hour, with an explicit caveat written in to the scheme to link the remuneration to the NMW and that this will automatically increase in line with any national increases.

Travel and Subsistence

- 2.8 The IRP were satisfied that the scheme was appropriate and recommend amendment to ensure that remittance for mileage be reflective of levels set by HMRC, and should these change in future, that the scheme would apply that change automatically.
- 2.9 For subsistence, the levels of money to be reclaimed was in line with the remittance for staff claims. It is suggested that the scheme is explicit in wording that the levels are linked to NJC rates and those detailed within the Travel and Subsistence scheme for staff to ensure that these are always aligned.

PC Consumables

- 2.10 It was noted that the need for remittance for Member's ICT consumables may have changed during the pandemic period. They were made aware of the ongoing review for service delivery and technology needs, and therefore it is recommended that this area of the scheme remain as written pending the outcome of that review. It may be that this matter is first referred to the recently established Member Working Group to look at Member's ICT and referred back to the IRP as a consultee prior to suggesting future changes.

Index Linking

- 2.11 Whilst index-linking was not applied during the pandemic period, it was considered that on the whole this was a fair and equitable approach to reviewing Members' Allowances. When employing the use of index linking, it creates a burden on the authority to review the scheme within 4 years, which was considered a reasonable amount of time to pass prior to reconsideration. It is recommended that this remain in place for the forthcoming 4 year period.

3 Reasons for Recommendation

- 3.1 It is on the basis of the discussions held at that meeting that each of the recommendations for change have been made.

4 Alternative Options and Reasons for Rejection

- 4.1 The Panel considered alternative options, such as small increases to each position, but it was deemed that a blanket approach in line with inflation would be most equitable and transparent.
- 4.2 The Panel considered raising the Basic Allowance to £6,000 to better reflect the role and responsibilities as this figure was more comparable with neighbouring authorities' remuneration schemes, however this was rejected in favour of

adoption the blanket approach to ensure parity between all Members, regardless of levels of responsibility.

- 4.3 The Panel rejected removing the index-link to staff pay awards on the basis of parity and fairness with the North East Derbyshire staff body. It also allows a set time-frame in which to conduct a review, rather than intermittent consideration of this matter, either very frequently creating a burden on the authority or too infrequent allowing significant time to pass with the scheme unchecked.

DOCUMENT INFORMATION

Appendix No	Title
1	2017 (Current) Members' Allowance Scheme
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 you must provide copies of the background papers)	
Report to the IRP on 29 th March 2022 including:	
Neighbouring Authority Info on Basic Allowance	
Current Remuneration Levels	
Role profiles of Elected members	
Deprivation Levels	
2022/23 Meeting Schedule	
Comparator data on Special Responsibility Allowances	
Role of Leader and Dep Leader	
Role of a Cabinet Member	
Cabinet Member Portfolio Scheme	
Scrutiny Chair Role Profile	
Standards Chair Role Profile	
Licensing and Planning Role Profiles	
Chair of Council Role Profile	
Leader of the Opposition Role Profile	
Full Current Members' Allowance Scheme	
Current pay levels of Staff	
Former pay levels for staff	