

## **Members' Allowances – Recommendations of the Independent Remuneration Panel for 2013/14**

### **SUMMARY**

- 1.1 Under the Local Authorities (Members' Allowances)(England) Regulations 2003, local authorities must establish and maintain an Independent Remuneration Panel (IRP), to meet periodically, to consider recommendations concerning the Members' Allowances Scheme.
- 1.2 The Council must make a Members' Allowances Scheme before 1 April each year and may amend the Scheme at any time, but must consider the recommendations of the IRP before doing so.
- 1.3 The IRP met on 21 February 2013, to consider its recommendations to Council for the 2013/14 Members' Allowances Scheme
- 1.4 The report of the IRP is attached at Appendix 2 and the current Members' Allowances Scheme (2012/13) is attached at Appendix 3.

### **RECOMMENDATION**

- 2.1 To continue the recent practice of linking the annual uplift of Members' Allowances to the increase in Council employees salaries. For 2013/14 this will be 0%
- 2.2 To make no changes to the Members' Allowances Scheme until the Annual Meeting of the Council on 22 May 2013, recognising that the constitutional appointments are the logical point to introduce change, when all roles are appointed to.
- 2.3 Subject to this recommendation being accepted, then at the time of the Annual Meeting, the following recommendations, made for 2012/13, be re-considered:
  - a) Councillors continue to be mindful, when making appointments at the Annual Meeting, that payments of Special Responsibility Allowances (SRA) should be restricted to no more than 50% of all Members, currently a maximum of 25. The IRP recognises the particular commitment made by those who serve on Licensing Committees and Adoption and Fostering Panels and recommends that those SRAs should not be included in the calculation of the 50% target.

- b) To reduce the payment of the SRA to vice-chairs of scrutiny commissions to the level currently paid to members of the Adoption and Fostering Panels, currently £1870.56, being 6.25% of the Leader's Allowance.
- c) To increase the SRA to the Leader of the Council, by an amount to be decided by Council, that amount to be self-funding, from the saving made through the recommendation above.
- d) To establish the Leader's Allowance as a stand-alone figure within the Scheme, with the current Deputy Leader's SRA becoming the 100% benchmark, against which other SRAs are set, to retain the status quo.

## REASONS FOR RECOMMENDATION

- 3.1 Benchmarking continues to highlight the undervaluing of the SRA for the Leader of the Council, but any increase in it must be contained within the overall Members' Allowances budget
- 3.2 It is recognised that the logical time to effect changes is at the Annual Meeting of the Council on 22 May, so the scope and level of change is reserved to Council to decide at that time.

## SUPPORTING INFORMATION

- 4.1 Comparator information is referred to in the Report of the Independent Remuneration Panel in Appendix 2

## OTHER OPTIONS CONSIDERED

- 5.1 To make no changes to the existing (2012/13) Scheme, but this would not enable any of the issues raised, by the Independent Remuneration Panel, to be addressed.
- 5.2 To recommend that changes be introduced from the beginning of the financial year on 1 April 2013, but this would restrict Council's ability to effect change as part of the constitutional appointments process, at the Annual Meeting of the Council, on 22 May 2013.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Janie Berry – Director of Legal and Democratic Services 01332 643616  Janie Berry – Director of Legal and Democratic Services 01332 643616
<b>For more information contact:</b>  <b>Background papers:</b>	Philip O'Brien – Head of Democratic Services 01332 643644 phil.o'brien@derby.gov.uk None

<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Report of the Independent Remuneration Panel
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<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The report of the IRP recognises that the level of allowances in Derby is lower than in many similar authorities. The recommendations ensure that any re-balancing of Special Responsibility Allowances is achieved within the overall budget provision.

**Legal**

- 2.1 Members' Allowances are governed by the Local Government Acts and associated regulations.
- 2.2 Before making or amending its Members' Allowances Scheme, the Council must have regard to the recommendations of its Independent Remuneration Panel, although, with the exception of pensions, it is not bound to accept them.
- 2.3 The Council must make a Members' Allowances Scheme before 1 April each year and may amend the Scheme at any time.

**Personnel**

- 3.1 None directly arising

**Equalities Impact**

- 4.1 None directly arising

**Health and Safety**

- 5.1 None directly arising

**Environmental Sustainability**

- 6.1 None directly arising

**Property and Asset Management**

- 7.1 None directly arising

**Risk Management**

- 8.1 None directly arising

## **Corporate objectives and priorities for change**

9.1 None directly arising